DOCUMENT RESUME

ED 097 280 SO 007 849

TITLE	Report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1973, Together with the Relevant Resolution of the Trustship Council.
INSTITUTION	United Nations, New York, N.Y. Trusteeship Council.
PUB DATE	73
NOTE	148p.; Trusteeship Council, Official Record: Fortieth Session (29 May-22 June 1973), Supplement No. 2.
AVAILABLE FROM	United Nations, Sales Section, New York, New York 10017 (Document No. T/1748; $5.00)
EDRS PRICE	MF-$0.75 HC Not Available from EDRS. PLUS POSTAGE
DESCRIPTORS	*Comparative Education; *Economic Development; *Educational Development; Elementary Education; Foreign Culture; Futures (of Society); Government (Administrative Body); Higher Education; *International Education; Politics; Reports; Secondary Education; *Social Development; War
IDENTIFIERS	*Trust Territory of the Pacific Islands

ABSTRACT

In 1973 the United Nations Trusteeship Council dispatched a visiting mission to the Trust Territory of the Pacific Islands which consists of three archipelagos: the Marshalls, the Carolines, and the Marianas. This publication contains a report of the mission which was comprised of representatives from the governments of Australia, France, the Union of Soviet Socialist Republics, Great Britain, and Northern Ireland. The itinerary, a short description of the land and the people visited, and the program of visits and meetings are followed by reports on the following topics: (1) Political Advancement, (2) Economic Advancement, (3) Social Advancement, (4) Educational Advancement, (5) War and Post-War Damage Claims, and (6) Culture Status. The annexes contain a list of written communications received by the visiting mission during its visit to the Trust Territory and Resolution 2159 adopted by the Trusteeship Council. (Author/RM)

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REPORT OF THE UNITED NATIONS VISITING MISSION TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS, 1973

TOGETHER WITH THE RELEVANT RESOLUTION OF THE TRUSTEESHIP COUNCIL

TRUSTEESHIP COUNCIL

OFFICIAL RECORDS : FORTIETH SESSION

(29 May-22 June 1973)

SUPPLEMENT No. 2

SP 007 849

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LETTER OF TRANSMITTAL DATED 16 MAY 1973 ADDRESSED TO THE SECRETARY-GENERAL

We have the honour to transmit to you herewith in accordance with Trusteeship Council resolution 2157 (XXXIX) of 14 June 1972 and rule 98 of the rules of procedure of the Trusteeship Council a report relating to the visit to the Trust Territory of the Pacific Islands of the United Nations Visiting Mission, 1973.

Due to the appointment of the Chairman, Mr. Paul Blanc of France as Ambassador of France, to the Republic of the Upper Volta during the course of the Mission and the need for him to take up his duties in Ouagadougou soon after the completion of the programme in the Trust Territory, Mr. Blanc was not present at the meetings in New York at which the report was discussed, and was not able to indicate his assent to all the language used in its final version. He did, however, participate in the drafting of the report in its initial stages and is in general agreement with its substance.

Mr. Viktor Issraelyan of the Union of Soviet Socialist Republics participated in the drafting of all the chapters of the report and made clear to the other members of the Mission his views on the various issues which arose. In preparing the final version of this report, the undersigned took account so far as they felt able of his views.

The member of the Mission nominated by the Union of Soviet Socialist Republics does not, however, subscribe to some views and conclusions contained in this report (in particular in chapters II, VI and VII) and his views will be brought to the attention of the Trusteeship Council at its fortieth session. Therefore, this text should be considered as the agreed view of three members of the Mission.

Paul BLANC (France)
Chairman of the Visiting Mission

Robin ASHWIN (Australia)
Peter HINCHCLIFFE (United Kingdom of Great Britain and Northern Ireland)
Members of the Visiting Mission

CHAPTER I

GENERAL

A. Terms of reference

1. At its 1403rd meeting, on 14 June 1972, the Trusteeship Council decided to dispatch a periodic visiting mission to the Trust Territory of the Pacific Islands in 1973 and to invite the Governments of Australia, France, the Union of Soviet Socialist Republics and the United Kingdom of Great Britain and Northern Ireland to nominate members to compose the Mission. The Council further decided that the nominations to be submitted would automatically be approved when received.

2. At the same meeting, the Council adopted resolution 2157 (XXXIX) in which it directed the Visiting Mission to investigate and report as fully as possible on the steps taken in the Trust Territory of the Pacific Islands towards the realization of the objectives set forth in Article 76 b of the Charter of the United Nations, and to pay special attention to the question of the future of the Territory, in the light of the relevant Articles of the Charter and the Trusteeship Agreement, bearing in mind the relevant provisions of Trusteeship Council and General Assembly resolutions, including Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960. It also directed the Mission to give attention, as appropriate, in the light of discussion in the Trusteeship Council and of resolutions adopted by it, to issues raised in connexion with the annual reports on the administration of the Territory, in the petitions received by the Council concerning the Territory, in the reports of the previous periodic visiting missions to the Territory and in the observations of the Administering Authority on those reports. The Mission was further directed to receive petitions, without prejudice to its action, in accordance with the rules of procedure of the Council, and to investigate on the spot such of the petitions as, in its opinion, warranted special investigation. Finally, the Council requested the Mission to submit to the Council as soon as practicable a report on its visit to the Trust Territory of the Pacific Islands containing its findings, with such observations, conclusions and recommendations as it might wish to make.

3. Subsequently, Mr. Robin Ashwin (Australia), Mr. Paul Blanc (France), Mr. Viktor L. Issraelyan (Soviet Union) and Mr. Peter Hinchcliffe (United Kingdom) were nominated by their Governments as members of the Visiting Mission. On 15 January 1973, the members of the Mission elected Mr. Paul Blanc as Chairman of the Mission. Following the return of the Mission to New York and because of the departure of the Mission's Chairman on appointment as Ambassador of France to the Republic of the Upper Volta, the remaining members of the Mission elected Mr. Ashwin as Acting Chairman.

B. Itinerary

4. On 24 January 1973, the Visiting Mission held preliminary discussions in Washington, DC, with representatives of the United States Department of State, the Department of the Interior, the Department of Defense, the Office of the Micronesian Status Negotiations, as well as the Peace Corps. During those discussions, the Mission was informed of the latest developments in the Trust Territory with particular reference to the Territory's future political status and the settlement of war damage claims. The Mission was also informed of the Peace Corps programme in the Trust Territory and of the activities of the Civic Action Teams in the various districts. The Mission wishes to thank Mr. Samuel De Palma, the Assistant Secretary of State; Mr. Stanley S. Carpenter, the Deputy Assistant Secretary of the Interior; Mr. James M. Wilson Jr., the Deputy Representative for Micronesian Status Negotiations; officials of the Departments of State and of the Interior; the officials of the Department of Defense and the representative of the Peace Corps, who gave the Mission their full co-operation.

5. During its visit to Washington, DC, and in the course of its tour of the Trust Territory, the Mission was accompanied by the following members of the United Nations Secretariat: Mr. Felipe A. Pradas-Hernando, Principal Secretary; Mr. Girma Abebe, Political Affairs Officer; Mr. Milton Riedel, Administrative and Finance Officer; and Miss Françoise Hul. Secretary/Stenographer.

6. The Mission left New York for the Trust Territory late in January and en route stopped in Honolulu where it had the opportunity to meet with Micronesian students at the University of Hawaii and the East-West Center. At that meeting, the Mission heard the students' views on Micronesia's educational development, economic problems and the question of the Territory's future.

7. The Mission paid a courtesy call on Mr. John A. Burns, the Governor of the State of Hawaii. While at the University of Hawaii, it met with Dr. Everett Kleinjans, the Chancellor of the East-West Center, and members of the academic staff. The Mission wishes to express its deep appreciation to the Governor, the Chancellor and the academic staff of the East-West Center for their hospitality.

8. The Mission began its visit in the Trust Territory at Majuro, Marshall Islands District, on 2 February, and ended it at Saipan, Mariana Islands District, on 7 March.

9. The Mission made a brief visit to Guam on 28 February to meet with Micronesian students at the University of Guam and heard their views on educational matters and on the present situation in Micronesia, as well as on the future of the Territory.

10. During its visit to Guam, the Mission had the opportunity of meeting Dr. Carlos G. Camacho, the Governor of Guam, and members of the Guam Legislature. It wishes to place on record its deep appreciation for their hospitality.

11. On 17 February, the Mission attended sessions of the Senate and House of Representatives of the Congress of Micronesia and held a meeting with its Joint Committee on Future Status. The Mission also held a meeting with the Chairmen of the Standing Committees of the Congress.

12. The Mission devoted the last days of its visit to meetings on Saipan with Mr. Edward E. Johnston, High Commissioner, and senior officials of the Trust Territory Administration.

13. The Mission wishes to express its sincere thanks to the High Commissioner and the Administration's senior officials as well as to the members of the Congress, for their full co-operation and assistance.

14. In the course of its tour, the Mission received a number of written communications which were taken into account in the preparation of its report. The texts of these communications are filed and available for inspection in the United Nations Secretariat.

15. On its return from the Trust Territory, the Mission held discussions in New York on 14 March with Mr. Franklin H. Williams, the Personal Representative of the President of the United States of America for Micronesian Status Negotiations, Mr. James M. Wilson Jr., the Deputy Representative for Micronesian Status Negotiations, and Mr. Stanley S. Carpenter, the Deputy Assistant Secretary of the Interior. During the discussions, the main topics covered were the negotiations on the future status of the Territory, economic development and the question of external trade.

16. During its visit to the Territory, the Mission was accompanied by Mr. Dwight Heine, Special Consultant to the High Commissioner; Mr. Robert M. Immerman, Adviser, Political and Security Affairs, United States Mission to the United Nations; Miss Mary V. Trent, United States Liaison Officer for Micronesian Status Negotiations; and Mr. Charles Sylvester of the United States Department of State. The Mission wishes to express its sincere thanks to those officers for their courtesy and co-operation.

17. Throughout the six districts of the Territory, the Mission met with members of the Congress of Micronesia; with district administrators and their staff; with members of the district legislatures; with the judiciary; with municipal councils, magistrates and traditional chiefs; and with representatives of religious missions, teachers, doctors, nurses, students, businessmen, members of civic associations, Peace Corps volunteers and the general public. To all of them, the Mission wishes to express its sincere appreciation for the courtesy and co-operation extended to it, as well as for the generous hospitality it received.

C. Land and people

18. The Trust Territory of the Pacific Islands consists of three archipelagos: the Marshalls, the Carolines and the Marianas. The latter includes Guam, which is not part of the Trust Territory but is an unincorporated Territory of the United States. The Trust Territory includes more than 2,100 islands scattered over an area of some three million square miles of the western Pacific just above the equator of which just over 100 are inhabited. These islands have a combined land area of approximately 716 square miles and are grouped in six administrative districts: Palau, Yap, Truk and Ponape - in the Carolines, the Marshall Islands and the Mariana Islands.

19. The people of the Territory, numbering approximately 114,600 in June 1972, are classified as Micronesians with the exception of about 1,000 Polynesian inhabitants of the islands of Kapingamarangi and Nukuoro and a few individuals of other racial groups. Nine distinct languages, with variations of dialects, are spoken in the Territory: two in Yap District, three in Ponape and one in each of the other districts.

D. Programme of visits and meetings

1. Marshall Islands District

20. The Marshall Islands District is the easternmost of the Territory's districts. It has a land area of about 70 square miles distributed over 29 coral atolls and 5 low coral islands which are scattered over 375,000 square miles of ocean. The total population is about 24,200. The district headquarters is located on Majuro Atoll which has a population of slightly in excess of 9,000.

21. The Mission began its visit to Marshall Islands District on 2 February. At Majuro, it held a meeting with the District Administrator and heads and senior staff of all departments, where major matters concerning the district administration were discussed.

22. The Mission visited Majuro hospital, the radio station and the port facilities. It also visited the Marshall Islands High School and had a meeting with students at which facilities at the school, educational opportunities abroad and the future of the Territory were discussed.

23. At a meeting with the Majuro Chamber of Commerce, a speaker expressed concern at the decline in copra price and said that, in consequence, growers were neglecting their copra plantations. The situation was also not good in other industries, especially those in which Micronesians could not participate because the necessary capital was not available. The speaker further said that there was no organized fishing venture and such fishing that took place was not sufficient to satisfy demands. Although the waters around the outer islands were a potential source of supply, the scattered location of the thinly populated islands posed difficulties of transport to the district centre.

24. With regard to tourist development, the same speaker asked whether limitations on foreign capital investment could be lifted and whether the United Nations could assist in this. Another speaker pointed out that privately owned cargo-boats had to compete with those of the Administration and inasmuch as the latter was in a favourable position, the former found it expedient to charter their boats to the Administration.

25. At Majuro, the Mission held a meeting with the Municipal Council at which the financial resources of the Council were discussed. The Mission also met with Mr. Ataji Balos, a member of the Congress of Micronesia.

26. On 4 February, the Mission left Majuro and arrived at Rongelap Atoll the following day, where it held a public meeting. Some speakers were concerned about insufficient housing facilities. Others pointed out the need to provide dock facilities, warehouses and an airstrip. Some speakers referred to the continuing inedibility of the coconut crab owing to radioactive fallout. Others raised the question of compensation for the destruction to land and vegetation which had not been taken into account when compensation to people affected by atomic radiation had been considered. Speakers emphasized the urgent need for the permanent presence of a doctor on the island as well as for regular provision of adequate medical supplies. Speakers complained of the infrequency of visits by field trip ships. In reference to the future status of the Trust Territory, some speakers pointed out that they knew very little about the negotiations between their representatives and the Administering Authority. Whatever little they heard reached them through the district radio broadcasting system.

27. On 5 February, the Mission left Rongelap by ship and arrived at Bikini Atoll the following day. The Mission toured Bikini Island and saw the preparations being undertaken for the resettlement by its former inhabitants. The construction of 40 houses had nearly been completed and coconut and breadfruit trees had been planted. The Mission was informed that 40 more houses, a school and a dispensary would be built shortly. It was expected that the first group of Bikinians would be able to return in September 1973. The Mission returned to Kwajalein from Bikini by air.

28. On 6 February, the Mission went by boat to the island of Ebeye where it visited the hospital, various public works, a nursery school, a public elementary school and a mission elementary school and held a public meeting at the Community Center. At the meeting, the Magistrate reiterated grievances which he said had been brought to the attention of the previous Visiting Mission. They concerned housing conditions, the lack of adequate education and health services and the lands leased by the military.

29. One speaker said that the coast guard station should be removed from Ebeye. The land, he said, was needed to accommodate people. A member of the Nitijela (District Legislature) was against military installations on the islands. He felt that the presence of such installations endangered the people concerned who either failed to receive compensation for lands taken by or leased to the military or had to wait a long time for it. He asked the United Nations to help make it possible for all countries to enter the Marshall Islands for trade and business, in order to develop the islands' resources.

30. One speaker said that income derived from Kwajalein was of value to the district. He went on to say that a higher salary rate in Kwajalein had come into effect two years ago but complained about the reduction of the employees' annual leave. Another speaker said that there were many people on the waiting list for employment on Kwajalein while there was a continuous recruitment from Hawaii. Wages paid to Micronesians were low in comparison to those paid to newcomers. In answer to the question whether people from Ebeye could use the facilities on Kwajalein such as the department store, taxis, clubs, buses, etc. speakers stated that they were not allowed to use those facilities except for the department store which certain people could use if they had written permission.

31. Regarding the future status of the Territory, one speaker said that the people remained in a state of confusion. He considered that it was difficult to concentrate on the future status of Micronesia when land problems were still the major issue. Another speaker said that he was not in favour of independence.

32. The Mission ended its visit to the district with a meeting on Kwajalein with a traditional leader and members of the Nitijela. The traditional leader voiced agreement with the statement of his people regarding land, economic, education and health problems. He referred to islands which had been taken over by the Administration without compensation and gave figures which he considered would be adequate remuneration per acre for the leasing of the land. In regard to Roi-Namur and other islands on Kwajalein Atoll, he said that a member of the Congress of Micronesia had attempted to bring about a settlement but had not succeeded. A member of the Nitijela asked whether there was any difference in the amount of compensation paid to the Japanese citizens who had been fishing off the coast of Rongelap Atoll at the time of the nuclear explosion in 1954 and to the Marshallese inhabitants of the atoll. Another speaker stated that, judging from the situation in the outer islands, the people were not ready for independence. He felt that without seeing conditions in the outer islands it was not possible to reach a proper conclusion on this question.

2. Ponape District

33. Ponape District, which lies in the Eastern Carolines, consists of the two high volcanic islands of Ponape and Kusaie and eight widely scattered coral atolls. It has a land area of 176 square miles. Ponape Island ranks second and Kusaie fourth in land area among the islands of the Trust Territory. The total population is about 23,700, of whom some 16,600 live on Ponape Island and 4,600 on Kusaie. The district headquarters, located at Kolonia, on Ponape Island, has a population of 3,900. Three languages are spoken in the district: Ponapean, Kusaiean and Polynesian. Kusaiean is somewhat similar to Marshallese. The language of Kapingamarangi and Nukuoro is a western Polynesian dialect.

34. The Mission began its visit to Ponape on 8 February with a meeting with the District Administrator and heads of departments, at which the problems of the district and the Administration's current and proposed programmes were discussed.

35. At a meeting with the Speaker, Vice-Speaker and Interim Committee of the Ponape District Legislature, education, health, economic development, transportation, the request by Kusaie to become a separate district, political education and the future status of the Territory were discussed. Speakers said that high school facilities should be expanded to accommodate more elementary school graduates. They were not satisfied with the present hospital facilities and were looking forward to the construction of the proposed new hospital. They felt that agriculture and marine resources development should be given top priority and were concerned about the contemplated reduction in the grants of the Administering Authority to the Trust Territory. They were also concerned about the lack of adequate means of transportation within the district. In the view of one speaker, Kusaie should be a separate district. Another speaker, however, referred to the long and close association which had existed between Kusaie and the rest of the district and felt that separation would be most regrettable. In reference to the political education programme, speakers felt that not enough had been done. They were not well informed about the proposed compact of free association and felt that more detailed information on the negotiations on future status was needed. One speaker thought that negotiations were moving too fast and that the Territory should maintain the status quo. It was his view that the people were confused on the subject.

36. At the meeting with the Nahmwarkis (traditional leaders), speakers said that the issuance of new deeds by the present land commissions altered the traditional way of land ownership. Those deeds did not recognize the rights to land of members of traditional families. Land deeds which had been issued by the German and Japanese administrations without the consent of the people concerned had subsequently been taken over by the present Administration. Furthermore, since the deeds were issued in English and not in the vernacular language, they were unable to understand the contents. They considered that young people were unable to obtain the kind of deeds which would have encouraged them to develop the land.

37. At a meeting with members of the Sokehs Municipal Council and the people of that municipality, one speaker considered that the Administration should propose specific programmes for economic development with emphasis on agriculture and marine resources. In his view, education was too much geared towards the United States way of life and customs rather than to Micronesian traditional customs. In regard to land questions, he pointed out that the Land Commission issued deeds to individuals and he considered this to be inappropriate. Another speaker said that the Territory needed adequately trained personnel to occupy positions of higher responsibility.

38. Other speakers said that there was lack of understanding of the present form of government and of the negotiations on the future status of the Trust Territory. Nobody had explained the nature of the negotiations to the people. They had heard of them in local radio programmes which were mainly broadcast in English. The Chief Magistrate favoured, as an interim arrangement, free association with the United States until such time as the Trust Territory could become independent. Another speaker considered that it was important to expose the Trust Territory to the outside world so that it could determine for itself what was best for it in the social, educational and political fields.

39. At a meeting with members of the Net Municipal Council and the people of the municipality, one speaker stated that the main concern was homesteading and that the Administration had imposed a great deal of regulations in this regard. A Congressman maintained that the majority of the people of the municipality supported Micronesian independence. In referring to the desire of the population of Marianas District to be associated with the United States, the speaker asked whether it would be possible for Ponape District to seek association with other Powers. Another speaker said that the people of Net strongly opposed the stationing of United States troops in Micronesia. During the meeting, it was said that agricultural programmes prepared by the Administration had not been implemented. There was plenty of land in the municipality but there was a lack of seed. Some speakers mentioned the inadequacy of classrooms, and were concerned about the educational system which, they said, placed emphasis on matters which were not consistent with their customs, traditions and values. However, the same speakers appreciated the contribution made by the Ponape Agricultural and Trade School (PATS).

40. At a meeting with Uh Municipal Council and the people of that municipality, one speaker stated that their principal problem was the lack of adequate financial resources to engage in economic and social development. In regard to the future of the Trust Territory, he favoured the maintenance of the status quo. A move in other directions could only compound existing problems. Independence for the Trust Territory rather than free association with the United States was the choice of another speaker. In regard to the negotiations on future status, another speaker maintained that any agreement relating to Micronesia should be referred to the people for their decision. He said that Micronesians should be spared the consequences of having a foreign military presence on their soil. A number of speakers stated that they knew little about the negotiations concerning the future status of the Trust Territory. Some said that their congressional leaders discussed the subject only in general terms.

41. At a meeting with community leaders, councilmen and the general public in Kitti, speakers expressed concern about the terms of the Trusteeship Agreement and wished to have it amended. They felt that they had not had enough opportunities to develop economically and meet the objectives of that Agreement. They considered that the Trust Territory should have not been designated a strategic area and they were against the installation of military bases in the Territory. Some considered that free association would not give enough freedom to the Territory. One speaker said that economic development was too slow while another considered that the educational system was an American system and did not take account of the local culture.

42. On 10 February, members of the Mission visited the Micronesian Community College, the agricultural station and the radio station.

43. The Mission held a meeting with the chief magistrates of the district, at which a speaker from Kusaie said that the United Nations should recommend to the Administering Authority not to precipitate the process of self-determination. He added that only after having had adequate political education could the people make

an intelligent decision. The magistrate of Madolenihmw, pointing out the difficulties of making a decision on the future status of the Territory, wondered whether other countries could assist them towards making a meaningful decision. He was concerned with the inadequate emphasis placed on agricultural and marine resource programmes, as well as with the low level of education. He went on to say that land survey and issuance of deeds were too slow and were hindering economic development. The Magistrate of Sokehs requested that the clause in the Trusteeship Agreement which designated the Trust Territory a strategic area be revoked. During the meeting, assistance was requested to help trace Ponapeans who had been missing since the Second World War.

44. At a meeting with members of the Chamber of Commerce and businessmen it was said that shipping was a critical problem since vessels from outside the district did not keep their schedules. Shipping within the district, however, was generally adequate. Stores were in most cases family operated and the co-operatives had difficulties in competing with them. Fishing prospects were not encouraging mainly owing to lack of long-range programmes and the absence of adequate storage facilities. It was also said that the merchants were dependent on government employees for their trade which did not provide an adequate market. Some speakers were concerned about high freight rates and the increasing prices of Japanese goods. They wished to see competition in the field of shipping.

45. The Mission held a meeting with students' representatives from the Community College, the Ponape Agricultural and Trade School, the Ponape Teachers' Education Center and the Ponape Islands Central School. At that meeting, speakers pointed out that they knew very little about the negotiations being conducted between their congressional leaders and the representatives of the Administering Authority. They said that the language of the compact and other written material on the subject were difficult to comprehend. One speaker favoured a united Micronesia and asked the United Nations to help the Territory to achieve that goal. He felt that with the scarcity of land, the situation would deteriorate further if military installations were permitted in the Territory. Another speaker believed that the Trust Territory should achieve its independence within 10 to 20 years and asked the United Nations to help the people reach that objective. He said that the type of political status adopted by the Cook Islands might be a suitable interim arrangement for Micronesia. According to another student, the Trust Territory was not prepared for independence. The view was also expressed that the Mariana Islands should not be allowed to set a precedent by seceding from the rest of the Territory. A number of speakers emphasized the need for intensified education and mentioned the lack of teachers and books. In this connexion, students asked whether the United Nations could make scholarships available for Micronesians. A speaker pointed out that the Territory imported more than it exported, which hindered progress towards independence.

46. The Mission also met with the Mayor and members of the Council of Kolonia Town. At that meeting, the Mayor suggested that Micronesians who were not members of the Congress should also participate in the negotiations on future status. They could then return to their communities to explain developments. The Congress had been established to formulate laws and not to engage in negotiations on future status.

Another speaker asked whether it was permissible under the Trusteeship Agreement for the Administering Authority to hold separate talks on future status with representatives of the Mariana Islands which, he said, would set a precedent for others to do likewise. He stated that the goals enunciated in the Trusteeship Agreement were too broad and general and he considered that the United Nations should insist on a reassessment of the situation by the Administering Authority with a view to setting specific objectives attainable within a given time.

47. At a meeting with the Municipal Council and people of Madolenihmw, the future political status of the Territory, land problems and the declining copra price were the major topics of discussion. One speaker said that under the terms of the Trusteeship Agreement, the people had no voice in the future of their Territory. Other speakers said that public land should be returned to Micronesians or at least placed under local authority. More emphasis should be placed on roads so that the critical transportation situation could be improved. Another said that the Territory should seek advice on the establishment of a research centre for the development of agricultural and marine resources. He considered that vocational centres for each district would help in the progressive development of the Territory. The same speaker expressed concern regarding the price of copra and asked whether the United Nations could advise on the effective use of copra products.

48. At the last meeting of the Mission on Ponape, discussions were held with the Chief Magistrate of Kusaie and a number of Kusaieans. The Chief Magistrate explained the action taken towards establishing Kusaie as a separate administrative district and the reasons for such action. He did not favour separatist movements and if Kusaie became a separate district it would remain within a united Micronesia. In regard to the future of the Trust Territory, he said that the people needed sufficient time to study the question. He voiced grave concern over the testing of nuclear weapons in the Pacific and urged the nation concerned to desist.

49. Turning to economic questions, the Magistrate said that poor transporation services discouraged farmers from producing as much as they could. Fisheries constituted a major potential resource but trained fishermen and storage facilities were lacking. The present 3-mile limit of territorial waters should be extended to 12 miles at least and should be protected from exploitation by foreign fishermen. The Administration's interpretation of the most-favoured-nation clause of the Trusteeship Agreement was preventing the development of trade with Pacific Islands neighbours. In regard to education, the Magistrate favoured the reorientation of educational programmes so as to avoid turning out graduates for non-existing jobs. Emphasis should be placed on training in agriculture and fishing. The Kusaiean language should be taught in schools.

50. During the meeting, a petition signed by 40 university students was submitted to the Mission. The petitioners supported the stand taken by the Kusaie Political Status Committee asking for the establishment of Kusaie as an administrative district.

3. Truk District

51. Truk District lies roughly in the centre of the long, east-west chain of the Caroline Islands. It consists of 15 island groups with a total land area of 49 square miles scattered over an ocean area 300 miles wide and 600 miles long. Truk proper is a complex atoll composed of 14 mountainous islands of volcanic origin, with a combined area of 28 square miles, surrounded by a great coral ring which form a lagoon of over 800 square miles. The outer islands of the district are all low islands or atolls. The total population is some 32,700, of whom more than 23,200 live on Truk Atoll. Moen, Tol, Dublon, Fefan and Uman are the islands of Truk Atoll with the largest population. The district headquarters is on Moen Island.

52. On 11 February, the Mission arrived at Moen Island, in the Truk lagoon, and began its programme the following day with a meeting with the District Administrator, the heads of departments and senior staff.

53. At a meeting held with Representative Sasauo Haruo of the Congress of Micronesia, the Legislative Council of the Congress and a number of landowners, Mr. Haruo said that very little had taken place in achieving solutions to the people's basic problems in the area of economic development, especially land management and use. The procedure for the acquisition of private lands for public use and for use by foreign-owned corporations had placed strains on the relationship between the legislative and executive branches of the Government as they endeavoured to meet the needs and requirements of the people. There were over [illegible] landowners on Moen whose land had been taken without just compensation and without any possible recourse within the present system. The Administration had taken private lands for public use, for the use of foreign companies and for military purposes without just compensation and without any subsequent opportunity for the people to review and renegotiate the lease agreements in view of changed conditions and circumstances. He said that many of the landowners had known little on the subject when they had executed certain documents entitled "indefinite use right agreement" and they considered that the agreements should be revised. At this meeting, a petition on the subject from Moen landowners was submitted to the Mission.

54. At a subsequent meeting, with the Moen Municipal Council and traditional leaders, speakers supported the petitions referred to above and the views expressed by Congressman Haruo. One of the speakers stated that no written translation of the "indefinite use right agreement" into Trukese language had been provided. They had been translated to the landowners only orally, although they were complex legal instruments. New negotiations between the Administration and the landowners should be conducted and any land which had been the object of those agreements and had not been used by the Administration should be returned to the original owners. The speaker went on to say that land was of such importance that it would be difficult to express views on the future status of Micronesia until they had found an equitable solution to the land question. At the same meeting, the Mayor of Moen said that on the question of the future status of the Territory, their congressmen had on various occasions expressed the view that free association

might be the appropriate solution, but when asked to explain the issue to their constituents, they had failed to do so. In answer to a question on the position adopted by the Mariana Islands, he said that separation would set a bad precedent; his people opposed the fragmentation of the Territory. One councilman stated that they would like to maintain the status quo for some time.

55. At a meeting with members of the Truk District Legislature and magistrates, the speakers referred to the powers and prerogatives of their legislature, the district budget, methods of appointment of the District Administrator, war damage claims and rights regarding the sea. The Mission was informed that the District Legislature had created a Charter Study Commission to study the implications of becoming a chartered district. According to the present legal provisions, the High Commissioner was the final authority on every matter concerning Truk District. He appointed the District Administrator and controlled the district budget. According to the Trust Territory Code, by obtaining a charter the district could gain more control over their own affairs. The Study Commission was working to determine which alternatives were available. The legislators pointed out that they were concerned about the type of government which would be created to replace the present one. Their action would depend on the results of the negotiations of the Congress with the United States. The district would like to have a say in the selection of the District Administrator and to have control over the district budget.

56. In regard to war claims, speakers referred to the treaty between the United States and Japan and said that it appeared to absolve Japan from any further liability for the death and destruction it had caused during the war. The $5 million which the two Powers had agreed to provide would not cover the damage it had caused in Truk alone. They were also concerned that the treaty failed to take into account the war claims that had arisen before 1941. Some legislators also expressed concern regarding government retention lands which had been taken by the United States from Japan. The grievances of the people were centred on the issue of whether the Japanese had purchased the land originally on an equitable basis. In regard to the Administration's claim that it had all the rights below the high-water mark, they said that such a claim constituted a considerable deviation from custom. It was the view of the speakers that those issues had implications for the future status of the Territory. They urged the Mission to consider not only the physical development accomplished by the Administering Authority but also the question of the legal rights of the people.

57. At a meeting with the students of Xavier High School, a student said that the economic gap between government employees and farmers was very wide, the latter being in a weaker position. Students would like to know whether the Trust Territory would be viable as an independent nation. They were concerned about the requests by the United States to obtain lands for military purposes, particularly on Palau, and one speaker said that the Palauans were opposed to such requests. Another speaker was in favour of the Territory receiving aid from other countries.

58. A number of speakers were opposed to the move made by the Marianas to separate from the rest of the Trust Territory; they feared that it would set a precedent for others to follow. Some students asked why the United Nations had no observer at the negotiations between the representatives of Micronesia and the Administering Authority on the future status of the Trust Territory.

59. At a meeting held on Tol with community leaders and the general public, education, economic development, war damage claims and the future of the Territory were the topics of discussion. The Chief Magistrate wished to see the schools less exposed to United States culture and considered that other influences would be desirable. More schoolrooms were needed. One speaker said that the development of fisheries would require an investment of some $10 million and asked whether the Territory could seek assistance, if needed, for that purpose from countries other than the Administering Authority. Another speaker said that the damage caused by a typhoon three years ago and the decline in copra prices were the two events which had most adversely affected the islands in recent years.

60. On the question of war damage claims, the Chief Magistrate said that the settlement of claims should be expedited. The $10 million agreed to by the United States and Japan was certainly inadequate. Another speaker said that $2 million had been allocated to Truk by the Administering Authority under the typhoon rehabilitation programme, and he compared it with the amount estimated for war damage claims for the entire Territory. With regard to the future of the Territory, one speaker said that the people were not informed on the implications of free association or independence. Another speaker felt that Micronesians would probably choose free association. While in Tol Municipality, the Mission visited the elementary school, a fish-drying plant and the junior high school.

61. At a meeting with Dublon municipal and community leaders and the general public, a district legislator said that the joint United States-Japan payment of $10 million to the people of Micronesia for damages suffered during the Second World War was inadequate. He asked the Mission to take up with the Japanese Government the question of payment for lands, homes and other damages caused by the latter before 1941. The amount of compensation for war damage, suffered by the inhabitants after 1941, had been set by Japan and the United States without consulting the people concerned. The Japanese had taken the land from the people by force and had declared it public. The present Administering Authority also had made it public domain. Another speaker said that the teaching in schools of Micronesian culture, custom and tradition was inadequate. In regard to the economy of the Trust Territory, the speaker expressed concern about the declining copra price and thought also that the local people should be encouraged in the exploitation of the marine resources.

62. A number of speakers considered that Micronesians should decide on matters of foreign investment which, they said, was not the case today: Micronesia should be given rights over island waters. A speaker thought that the claim of the Administering Authority to sea and sea-bed rights below the high-water mark was not just. It was an imposition on the Trukese people and hindered their economic advancement.

In regard to the future status of the Territory, one speaker rejected foreign [illegible] from any quarter and favoured independence. Others said that they had [illegible] understood the distinctions between "independence", "commonwealth" and "free [illegible]tion". They wanted to be better informed in order to make an intelligent [illegible] when the time came.

64. A petition, dated 26 February 1973, from Dublon landowners concerning land questions, was submitted to the Mission. Another petition, dated 27 February 1973, from the people of Dublon in regard to war damage claims was also submitted to the Mission.

65. At a public meeting on Moen, the principal of a school stated that the school food programme was inadequate and that there was a serious lack of newspapers and other reading material. On the question of future status, a former congressman stated that it would be difficult for individual Micronesians to express their views regarding the future of the Trust Territory or any other problem because, according to their customs, it was improper to embarrass their leaders in public. In his view, the only course for Micronesia's future was independence. He had defended that view when he was in Congress. The Trust Territory was neither economically nor educationally prepared for independence, but once the people had attained it, they could work towards development in those fields. He went on to say that there was no political education programme and that radio broadcasts from congressmen had to be cleared by the district administration. Other speakers said that being geographically and ethnically diverse, it was difficult for Micronesia to make an appropriate decision in regard to its future. A speaker wondered whether the United Nations was pressing the independence of the Trust Territory, while another inquired as to whether the United Nations could extend assistance should such an eventuality occur. The Mayor of Moen asked the Mission to help them in their desire to have sufficient time to consider the possible alternatives on the question of the future status of the Territory. He was not in favour of leading Micronesia prematurely towards a new political status.

66. At a meeting with representatives of the Xavier, Truk and Moen high schools on 15 February, the main subject of discussion was the lack of jobs for high school graduates, the need to develop natural resources and the necessity for improving educational and medical services. Speakers referred to the declining copra price and the need for improved housing facilities and utilities which, they said, were among the problems that faced the Trust Territory. A number of students thought that, with the increasing number of high school graduates, jobs would soon be scarce. Attractive and well-paying jobs were now offered by the Trust Territory Government alone.

67. Students were opposed to the presence of Korean fishermen in Truk. Koreans employed the best Micronesian fishermen leaving the least experienced to the local co-operatives. Micronesians should be given the opportunity to exploit the fishing resources in the area, and laws should be enacted to restrict activities by foreigners. Other speakers stated that the Territory's present educational programme was not relevant to the Micronesian situation. More emphasis, they said, should be placed on their background and culture. Scholarships ought to be available to those students specializing in medicine and law. Some students referred to serious health problems owing to lack of transporation. The outer islands were worst off in that respect.

68. On the question of independence, speakers felt that sufficient time was needed to prepare the Territory for that goal, while others favoured immediate independence. They believed that complete political independence would be difficult while the United States was actively seeking military bases. The people were not informed regarding the meaning and implications of free association. Students were prepared to share what little they knew on the subject, but it was contrary to tradition and custom for younger people to take the initiative and to try to educate elders on matters of such importance. The need for adequate communication between congressional leaders and their constituents on this subject was stressed. Students were critical regarding the involvement of their congressmen in private businesses which, they said, gave them very little time to inform the people on political matters. The people preferred personal and intimate contacts with their congressional representatives rather than to hear their radio broadcasts which never gave them a chance to ask questions.

69. On 16 February, the Mission held a meeting with Peace Corps volunteers and discussed their work in education and other fields in Truk. On the same day, the Mission held a meeting with Messrs. Rinis Hamo and Masaichy Eilat, of Moen Island, each of whom submitted to the Mission a petition concerning land and made statements in support of their claims.

70. During its stay on Moen Island, the Mission visited the hospital, the Truk High School (public), the Xavier High School (mission), the Public Affairs Office, the Land Management Office, the Housing Authority, the Community Action Office, the agricultural station, the Fisheries Office, the radio station, the farmers' market facilities and the co-operatives.

71. After its departure from Truk District, the Mission received a petition, dated 27 February 1973, from Mr. Alfonso Utto, on behalf of the people of Fefan concerning war damage claims.

4. Palau District

72. Palau is the westernmost district of the Caroline Islands. It consists of the Palau group of islands and four small coral islands scattered between Palau and the north-eastern islands of Indonesia. The Palau group includes more than 200 islands of both volcanic and coral limestone composition of which 8 are permanently inhabited. The Palau group is about 125 miles long and 25 miles wide. The total land area of the district (190 square miles) consists mainly of the island of Babelthuap (156 square miles), the largest island in the Territory. The district headquarters is located on the small island of Koror. The total population is just over 13,000, of which some 6,000 live on Koror and 5,000 on Babelthuap.

73. On 19 February, the Mission began its programme in the district with a meeting at Koror attended by the Deputy District Administrator, departmental heads and senior staff, at which the problems of the district and the Administration's current and proposed programmes were outlined.

74. At a meeting the next day with the two high chiefs, municipal chiefs, magistrates and councillors, the principal subjects discussed were land problems, war damage claims, compensation for exploitation of phosphate deposits by previous administrations, economic development and the future status of the Territory. The Magistrate of Koror said that war damage claims continued to be a critical problem, and that the Palau Legislature had introduced a bill to expedite the solution. Similar claims had been settled on Okinawa and the speaker could not see the reason for the long delay in finding a solution to the problem in Palau. The Magistrate asked the Mission to assist in the matter.

75. In referring to petitions concerning compensation for phosphate exploited on Angaur by previous administrations, which had been submitted to the Trusteeship Council in the past, the Chief of that island said that nothing had been done to satisfy the requests of the people, and he appealed to the Mission for help in finding a solution to the problem. He also requested the Mission to ask the Administration for the removal of scrap metal deposited on public land in front of the dock on Angaur. The Magistrate of Peleliu requested the Mission to ask the Administering Authority to determine the compensation for land which was no longer suitable for agriculture as a result of damage during the Second World War.

76. A speaker, referring to the negotiations on the future status of the Trust Territory, said that the talks had led to no meaningful results. Micronesia had diversified customs and traditions and any agreement reached might not satisfy every district. The same speaker expressed concern about the economic development of the Territory and said that Micronesia should develop its own resources so that it could stand on its own feet.

77. The High Chief from Eastern Babelthuap said that the Administration merely maintained the roads once built by the Japanese. It was true that it had built educational, health and other facilities, but it had failed to develop the Territory's economy. The majority of Micronesians depended on jobs provided by the Administration and private firms for their livelihood and young people of the outer islands abandoned their villages in favour of the district centre where job opportunities existed. Another speaker requested compensation for phosphate excavated on Sonsorol during the Japanese administration. A request to this effect had been addressed to the High Commissioner but no favourable reply had so far been received. On being asked for their views on the question of co-operation between chiefs and magistrates, speakers said that it was satisfactory in some municipalities and not so good in others.

78. A communication dated 23 February 1973, from High Chiefs Reklai K. Lomisang and Ibedul Yano Takeo, was submitted to the Mission. The Chiefs enclosed the text of a Joint Declaration of the Leaders of Palau declaring opposition to the use of land in Palau by the United States military authorities.

79. At a meeting with members of the judiciary, the Presiding Judge of the District Court explained the workings of the Court. He said that no formal legal training was required to become a judge. The Trust Territory Code took into account customary law. In the event of a conflict between the Code and customary law,

however, judges followed the provisions of the former. In answer to a question as to whether there was satisfaction in Palau about decisions rendered by the High Court, the judge said that most decisions were made with the help of an assistant judge from the district. There was, therefore, general confidence in the decisions of that Court. The judge said also that accused persons were always told of their right to choose any member of the local bar to defend their case.

80. At a meeting with student representatives from all the high schools and from the Micronesian Occupational Center, speakers complained about vocational training in the district which, they said, did not take into account the people's needs. The educational system had failed to provide training and employment opportunities in fishing, farming and tourism. The system inculcated American values at the expense of the Micronesian way of life and culture. In regard to the future of the Territory, some speakers favoured immediate independence. Others were opposed to the possibility of having United States military installations on Palau. A number of teachers stated that there was a lack of political education and that their representatives on Saipan had failed to inform their constituents on political developments. The people lacked information on the proceedings of the United Nations regarding the Trust Territory. On being asked the extent of their knowledge of other countries, some teachers replied that their school curricula included political education about countries besides the United States. Assistance was requested from the Mission so that Trust Territory students could obtain scholarships from countries other than the United States. The Student Council and supporting teachers of the Palau High School submitted a written petition covering various aspects of development in Micronesia.

81. At a meeting with members of the Executive Committee of the Palau Legislature, a number of legislators said that they had little influence over governmental decisions at the district level. They had no say on appointments to positions in the district government and had no power over expenditures and priorities. The power given to the Legislature to review budget expenditures was largely a formality. Speakers favoured the appointment of a Micronesian as the executive head of the Territory. Economic conditions could improve and development could be accelerated if Micronesia had its own government. Legislators referred to the educational programme of the Micronesian Occupational Center and felt that it was not geared towards the needs and requirements of the Territory. Its graduates might not find jobs available locally and might eventually seek employment overseas.

82. One speaker said the Administering Authority had not assisted Micronesia in setting national goals. The educational programmes which could have led the Trust Territory towards that objective had not been provided. Another said that the people had appealed to the Administration to revert to the traditional land-holding system but that the authorities had continued to insist on leases and homesteading of land which belonged to the people. Finally, one speaker referring to the provision in the Trusteeship Agreement specifying that it cannot be altered, amended or terminated without the consent of the Administering Authority, said that there lay the weakness of the system. He felt that the delay in the negotiations on Micronesia's future status had something to do with the Trust Territory's weak position under that provision.

83. A communication, dated 17 February 1973, from Mr. Ronald Sakuma, Chairman of the Resources and Development Committee, Palau District Legislature, concerning the economic development of Micronesia, was submitted to the Mission.

84. On 21 February, the Mission visited the east and west coasts of Babelthuap and held public meetings at the municipalities of Ngaraard, Ngiwal, Melekeok, Ngchesar, Ngarchelong, Ngardmau, Ngaremlengui, Ngatpang and Aimeliik. Chiefs and magistrates and other speakers in those municipalities made requests for the improvement of roads, docks and for the provision of a water supply, schools and health facilities. They mentioned the question of the declining price of copra and problems relating to the general economic situation.

85. One speaker, at Melekeok Municipality, stated that the traditional form of government was more effective because, under it, people were willing to carry out community activities. At present, members of the community were reluctant to volunteer for those activities on the ground that they should be paid for such work out of their taxes. A number of speakers referred to a road construction project, begun in the eastern part of Babelthuap, and complained that the work had stopped although people had already given up land for the road. Despite promises to settle war damage claims no steps had been taken to expedite and make a final settlement of the claims which had been outstanding for such a long time. At Ngarchelong municipality, a legislator said that fishing on a commercial basis was difficult owing to the inadequate transporation facilities and high freight rates to Koror. At Ngatpang the unsatisfactory water supply and the lack of tanks were the main complaints. At Aimeliik, the magistrate complained about high taxes. One speaker considered that the establishment of a United States military base could be beneficial to the islands, while another disagreed with him and felt that such a base would pollute the water and the land. Speakers felt, as in other municipalities, that land problems should be settled prior to any decision concerning the question of military installations.

86. At a meeting with members of the Palau Chamber of Commerce, speakers referred to the serious lack of good roads, airport facilities and, in general, to the unsatisfactory living conditions in the district. They agreed that the arrival of jet planes on Koror was attracting more tourists but stated that there were other problems which should be remedied to promote the tourist industry. In this regard, a speaker expressed concern about the method used to select the airlines serving the district. He considered that the airline with the best record of efficient service should be granted landing privileges on the basis of open competition. The Administration made the final decision, however, and might not follow the concept of open competition.

87. The President of the Chamber of Commerce said that Palauan businessmen operated on a small scale. Lack of capital prevented them from entering large-scale business undertakings; therefore this sector was mainly in the hands of foreign investors. Government-operated businesses lacked managerial efficiency and experience and failed to attract private businessmen. Others pointed out that although fishing had a major potential, local people were unable to engage in it on a large scale. In these circumstances, the principal company exploiting the fishing

potential in the area was foreign owned. A member spoke of the critical lack of funds and asked the Mission to help the Trust Territory obtain loans from the Asian Development Bank. The representative of the Bank of Hawaii said that although his bank had funds available for loans, Micronesian businessmen often could not provide adequate collateral. Land could usually not be used for that purpose. Another speaker complained that loans had been channelled to congressmen instead of deserving businessmen. It was stated that the local Economic Development Board reviewed applications for loans and made its recommendations but the authorities on Saipan made the final decisions.

88. A communication dated 21 February 1973, from Mr. Surangel Whipps, the Manager of the Palau Fishermen's Cooperative Association, concerning the operation of the co-operative and the problems facing it, was submitted to the Mission. Another communication, dated 23 February 1973, regarding air service to Palau, was submitted to the Mission by the Palau Tourist Commission.

89. On 22 February, the Mission travelled to the island of Peleliu where, after visiting the in-territory ship repair and crew rotation facility, it held a meeting with the magistrate, councillors and the general public. Among the principal subjects discussed were war damage claims, lack of employment, land problems, education and the future of the Territory. The High Chief, supported by other speakers, referred to the land ruined on Peleliu Island during the Second World War and said that the people were suffering from the disruption of their social, economic and cultural way of life. He appealed for adequate housing, adequate food, improved roads and transporation, rehabilitation for the aged and jobs for the residents.

90. Concern was expressed about the decline in dock activities which had resulted in a reduction of jobs available. If the drydock project was agreed to and the dock established, it would meet the employment needs not only of Peleliu but also of other areas. Some speakers said that it would be difficult to be self-governing when the Territory lacked sufficient educated people and was so weak economically. Others expressed concern that free association with the United States would involve a United States military presence. Since the people wanted to be neutral, the best course would be to opt for independence. Here, as in other areas, speakers felt that the land question should be settled before talks began on military bases. Some said that they understood little about the talks on the future status of the Trust Territory. One speaker favoured the maintenance of the status quo.

91. A communication dated 2 February 1973, from the people of Peleliu, was submitted to the Mission at the same meeting. They enclosed the text of a joint resolution adopted by the Municipal Government of Peleliu on the general economic problems of the island.

92. At a meeting with students of the Mindszenty High School in Koror, education and the future of the Trust Territory were discussed. A speaker praised the training offered by the Micronesian Occupational Center but had reservations about the sophisticated equipment used since the villages where graduates were expected

to serve could not afford such equipment. Some speakers felt that, when independence came, the Micronesian Government would be unable to maintain all governmental jobs. Starting now, people should be prepared for farming, fishing and other trades. There were those who favoured complete independence for Micronesia, hoping that other nations might extend needed assistance. While not ruling out eventual independence, others said that the Trust Territory was not prepared for immediate independence. Free association with the United States was defended by one student. Speakers mostly opposed separate talks by any district with the Administering Authority. Opposition was also expressed to any military presence in Micronesia.

93. On 23 February, the Mission visited several agencies and institutions: the museum, the Van Camp facilities, the hospital, the radio station, the Juvenile Court, the Fishermen's Cooperative Association, the Palau Community Action Agency, the port facilities, the Boat Building and Drydocking Association, the forestry station, the Marine Biology Research Laboratory and the Entomology Laboratory.

94. At a meeting with the people of Angaur who were on Koror at the time of the Mission's visit, speakers referred to the request they had made to the Administration to help clear the shallow entrance to the harbour of their island. Others said that their island was unsuitable for farming as a result of extensive mining. Fishing was not so promising due to location and surroundings. A combination of those factors compelled the young people to settle on Koror leaving children and the elderly behind. Speakers stated that they could not deal with other countries for business purposes because they were under the Trusteeship System and petitions by their district legislature for measures to overcome the problems remained unanswered. The Chief of Angaur requested the return to his people of land now occupied by the United States Coast Guard.

95. The Mission completed its tour of Palau with a meeting with a group of teachers from the Koror area. The main subjects discussed were educational programmes and the future of the Territory. Speakers said that the school curriculum, which they were not particularly enthusiastic about, had been drawn up by the Administration and they could not formulate their own curriculum without additional allocation of funds. A number of teachers said that if the Marianas District was allowed to separate, they saw no reason why other districts could not do likewise. Some might even wish to join other countries.

5. Yap District

96. Yap District, in the eastern Carolines, consists of the many islands of Yap and 15 other islands and atolls. From the main group of islands, or Yap proper where the district headquarters is located at Colonia, nearly all the outer islands are scattered to the east for a distance of approximately 700 miles in a band 160 miles wide. Yap proper is made up of four major high islands separated by narrow passages and surrounded by barrier reefs. With one exception, the outer islands are low, most of them lagoon-type atolls. The area of Yap proper is 38.6 square miles and the combined land area of the outer islands is 7.4 square miles. The district population is about 7,600, of whom 2,700 live on the outer

islands. Two languages are spoken in the district. Yapese, with dialect variations, and Ulithi-Woleai.

97. The Mission arrived at Yap on 24 February and began its tour of the district with a meeting, on the same day, with the District Administrator and departmental heads and senior staff.

98. The following day, the Mission travelled by air to Falalop Island in Ulithi Atoll where it held a meeting with traditional chiefs and magistrates. One of the chiefs stated that improvements had been made in education and health since the visit by the previous Mission in 1970. He expressed concern, however, about those students who had completed their studies overseas and never came back. Some positive steps had been taken to improve the communication system between the outer islands and the centre but transportation still left much to be desired.

99. The Chief further stated that radio broadcasts and even written material in the Ulithi language on the future status of the Trust Territory were not easy to understand. The people therefore knew very little about political development. It would be helpful if political education programmes were prepared and broadcast in a manner which the local people could easily understand. He said that independence meant running one's own government and the people were unprepared for that responsibility.

100. Speakers said that the Outer Islands Chiefs Council had no control over expenditures. Matters such as quarrels among clans, or divorce questions, were normally settled by the traditional leaders of each island. The question of building dispensaries and schools, was, however, the responsibility of the representative of the District Administrator.

101. At a meeting with the students at the Outer Islands High School on Falalop Island later that day, speakers said that field service ships had not been calling on the island regularly. This had serious implications during the dry season when locally produced food was in short supply. They also had seen some improvement in education and health in the last three years.

102. A number of students favoured a united effort on development before the Territory moved towards independence. They spoke of the lack of natural resources which should be an important consideration in arriving at a decision about the future status of Micronesia. Some speakers wished the Marianas to remain as a part of Micronesia and they saw merit in closer ties among all the districts. Others said that it was the prerogative of the inhabitants of the Marianas to determine their future, and that they should be allowed to do so. The Mission was asked to make recommendations to the Administering Authority to help develop agriculture and fisheries and to improve transportation to the outer islands.

103. On returning to Yap that afternoon, the Mission visited Gagil-Tomil Municipality and its elementary school. It also visited a poultry farm.

104. At a meeting with the Yap District Legislature and the Yap Islands Council, the legislators and councilmen, in a joint statement, said that virtually no meaningful programme of political education on the alternatives regarding the future status of the Territory had been undertaken by the Administration. The establishment of the trusteeship and the present political institutions had not evolved from local custom and consent. They wanted the next important step in their political history to be a true reflection of their customary way of life and an expression of the popular will. Unless an intensive, objective programme of political education was carried out by the Administration, a meaningful political choice was not possible. If the Administration failed in that respect, its commitment to promote the development of the Micronesian people towards self-government would be meaningless.

105. The people's participation in government included no more than a token review of the district budget by the District Legislature, and there was no popular participation in the selection of the officers of the district administration. The Administration was obliged to promote the social advancement of the people by guaranteeing fundamental freedoms without discrimination. While the right to work was never in question, the right to equal pay for equal work was not enforced. The roads and facilities spoke for themselves and it was better that the Mission listened to that mute testimony rather than to them or to the Administration's explanations. It appeared that matters would not improve as the Trust Territory's allotment for capital improvement was decreasing and the procedures for economic development loans increased in their bureaucratic difficulty.

106. Speakers said that careful, long-range economic planning was necessary. One said that the Administering Authority should provide a system of laws that recognized their customs and protected their lands. However, long before the establishment of the Congress of Micronesia, the Trust Territory law had reserved to the Trust Territory Government the exclusive right to all water and sea-bed land below the high-water mark. That law had been used by the Administration to dredge or fill important lagoon areas without the permission of or compensation to the customary owner. They had petitioned the Administration to have that confiscatory law changed but to no avail.

107. One speaker considered that marine resources and tourism were the principal potentials of the district, but they had remained untapped. Others said that copra production was not encouraged and port facilities and warehouses were inadequate. Another said that, in the absence of extensive political education, a national language and a money system, a request for independence would be unwise. He felt that more educated people able to shoulder the responsibilities of government were required before independence.

108. The Mission visited Yap High School on the same day and held a meeting with students at which the main subjects discussed were the future of the Trust Territory and its economic prospects. A number of students stated that the Territory's underdeveloped economy would not permit immediate independence. Others said they would not approve of the separation of the Marianas from the rest of the Trust

Territory. They favoured a united Micronesia. Speakers emphasized the importance of preserving Micronesia's cultures and traditions while adding that it would be ill-advised not to look for the positive components found in the modern way of life. The ideal, in their view, would be to take the best elements from the old and the new, thereby ensuring a good balance.

109. The Mission also visited the Agriculture Station, the Yap Cooperative Association, the Transportation Authority, the War Claims Commission Office, the Land Management Office, the radio station, the prison, Madrich (Outer Islands Community), the hospital, the Community Development Office, and the port facilities. The Mission also visited the Yap elementary school.

110. At a meeting with members of the Yap Chamber of Commerce, discussion centred on the conditions of port facilities, warehouses, interdistrict transport and related matters. The President of the Chamber of Commerce stated that damages to and loss of cargo were considerable. He said that members had appealed to the Administration to help in remedying the situation but that no positive steps had been taken to date. Other speakers referred to the absence of competition in shipping. They also complained about high freight rates. The manager of the Bank of Hawaii stated that there were no delinquencies on commercial loans. The lack of proper bookkeeping, however, made it difficult to transact loans with speed.

111. During its visit to the Yap Island magistrate councils, at Kanifay, Gilman and Southern Rull, near Colonia, the Mission held meetings with chiefs, magistrates and the people of those municipalities. At the Kanifay Municipal Council, the Magistrate stated that their main concern was the building of a secondary road which, with the assistance of a Sea-bee team was now nearing completion. The road would facilitate the movement of copra produce to the district centre and the transportation of sick persons requiring medical attention.

112. The speakers at Gilman Municipality thought that the right to all waters below the high-water mark should rest with traditional chiefs and individual owners Councillors expressed concern about the copra price. Regarding the question of the future status of Micronesia, it had been discussed at their meetings but they had reached no conclusions. One speaker stated, in answer to a question, that the senators and representatives of the Congress of Micronesia had not visited their village.

113. The Chief of Southern Rull said that his people were aware of the negotiations being held between the Congress of Micronesia and the Administering Authority on the future status of the Trust Territory but that they knew very little about the substance of the talks. It was important to consider the cultural differences and the many languages of Micronesia when a matter of that importance was under review. The Chief favoured the continuation of the status quo. The Trust Territory needed adequate preparation before it became independent. He was in favour of sending students abroad for further education but was worried about job possibilities when they returned. In regard to war damage claims, a speaker considered that they should be paid in cash and not in kind. She said that the heavy Japanese bombing destroyed not only the coconut trees but also their houses and property. This

outstanding problem should be settled as soon as possible and she asked the Mission to help. Other speakers referred to health matters, marketing, and tourism. They requested an increase in the number of hospital staff so that medical personnel could visit their villages as needed. Copra and trochus were their main source of income but, in the absence of an outside market they depended on local sales alone. They had some fisheries potential but they lacked market prospects. The last speaker said that tourism should be encouraged but that Micronesians should play a major role in its development.

6. Mariana Islands District

114. The Mariana Islands extend in a chain [illegible] miles to the north of Guam. The district consists of 13 high volcanic islands and a group of 3 small islands with a total land area of approximately 185 square miles, two thirds of which is made up by the three principal islands: Saipan, Tinian and Rota. Only these islands and Agrihan, Pagan and Alamagam are inhabited. The total population is approximately 13,400 of whom 10,700 live on Saipan, 1,700 on Rota and 800 on Tinian. The remainder live on the smaller islands. Approximately three fourths of the people are Chamorros, descendants of the original population. The other quarter of the population consists of descendants of the Carolinians who emigrated during the last century. Chamorro is the language spoken throughout the district.

115. The Mission began its tour of Mariana Islands District with a meeting, on 1 March, with the District Administrator, departmental heads and senior staff, at which major matters concerning the district were discussed.

116. The Mission met with members of the Marianas Political Status Commission created by the Mariana Islands District Legislature on 19 May 1972. Speakers explained the reasons which had led the Legislature to establish the Commission and informed the Mission of the negotiations on future status between the Commission and the United States Government.

117. At a meeting with the Mariana Islands District Legislature the speakers' main concerns were land problems, war damage claims, foreign investment and educational questions. The President of the Legislature pointed out that despite the many repeated demands by the people of the Marianas, the Administering Authority still refused to initiate any real action to solve the land problem. Over the years, it had been brought to the attention of the Trusteeship Council, but, to date, the Council had taken no action. The Legislature had recommended that the Mariana Islands District should have a special land court to deal exclusively with land problems. He requested that the Mission urge the Administering Authority to establish such a court and went on to say that the land should be restored to its rightful owners. If the Administration considered the solution of this question too difficult, it should turn over all the public lands to the district or municipal governments for resolution of the problem.

118. Regarding war damage claims, the legislators referred to the Agreement signed between the Governments of Japan and the United States in April 1969, providing for the establishment of a War Claims Fund of $10 million to pay Micronesian claims for

damages suffered during the Second World War. That sum had been arrived at by the two parties to the Agreement without any consultation with the people of Micronesia. Moreover, documentary evidence collected by the legislatures of Palau and the Marianas had shown the losses for those two districts alone to be in excess of $80 million.

119. The legislators also referred to the announcement made by the Micronesian War Claims Commission to the effect that the first payments of "post-secure" claims would not be made until 1976. They felt that the adjudication of those claims could be completed sooner than that date. They also saw no reason why the Commission, as it intended, should withhold payments waiting until all claims had been submitted. The speakers asked the Mission to request the Administering Authority to allow at least a payment of 25 per cent of the total claims upon adjudication, rather than wait until the end of the specified period.

120. The President of the Legislature said that they were in favour of allowing foreign investments by nationals of countries other than the United States so long as there were adequate controls. He also stressed the problems resulting from the lack of trained manpower in fisheries, agriculture and tourism. Technical assistance was needed by the Trust Territory in those areas and he requested the United Nations to help.

121. Concerning education, speakers said that there were an insufficient number of teachers and not enough classrooms and text books. There was talk of a possible reduction of the grants-in-aid by the Administering Authority, which might lead to a further reduction in the number of teachers and other services. At present, their children could not compete with students abroad because of the poor educational conditions in the Territory. The Mission was asked to urge the Administering Authority to make efforts towards raising Micronesian educational standards.

122. The Mission held a meeting with the Saipan Chamber of Commerce during which the main questions discussed were tourism and foreign investment. According to the acting President of the Chamber of Commerce, tourism was the principal hope for the economic development of Saipan. Admittedly, Saipanese were still engaged in agriculture, fisheries and other service industries, but they had lately begun to look at the tourist industry in Guam which had served as an example. Their island also had tourist growth potential and its people were turning their attention to that possibility.

123. A member of the Chamber of Commerce said that there was a lack of educational programmes oriented towards tourism. The people might give the impression of being prepared for the tourist industry but that was a wrong impression. The Government should stimulate tourism and, to that end, set up training programmes in hotel management and other tourist-related activities.

124. Another speaker referred to the "most-favoured-nation clause" appearing in article 8 of the Trusteeship Agreement and said that it had hindered potential Japanese investors. In recalling the sugar cane plantations on Saipan and Rota prior to the Second World War, a speaker said that the Administering Authority had

recently turned down an offer by Japanese businessmen to reactivate the plantations on those islands. Others spoke of the lack of capital to start businesses of some importance and considered foreign investment to be the solution to the problem.

125. At a meeting with the Saipan Municipal Council, speakers said that the retention lands, especially those which were not used by the Government, should be returned to the people. The Mission was requested to help in expediting the settlement of the land problems. The Mayor and the councillors considered that there were too many governments at the local level, resulting in duplication of efforts. The Municipality could have accomplished a great deal of work if it had been left to itself. The speakers were particularly concerned about revenues collected by the Trust Territory and the district administrations from their area. They thought that if those funds were placed at the disposal of Saipan Municipality it could make effective use of them.

126. At a public meeting held in Saipan, the principal topics discussed were land problems, the hotel construction site at Microbeach and the future status of Micronesia. Speakers said that the Trust Territory Government was distributing land without ascertaining who the real owners were. During the immediate post-war period, people were totally confused and had not claimed their lands. In certain cases, they had accepted terms whose implications they never understood. The Mission was asked to help the people to obtain the assistance of the Administering Authority in finding a solution to their land problems.

127. A number of speakers objected to the use of Microbeach for hotel construction as it was the principal public recreation beach on Saipan. In principle, the people did not object to the hotel project. On the contrary, they had asked the Administration to negotiate with the same firm to build a hotel elsewhere on the island. Unfortunately, the Administration had not done so. Speakers added that the Administration had selected Microbeach without any public hearings and, to their knowledge, even before consulting the District Legislature. The case was now in court and it would take some time before a decision was taken.

128. Regarding the future status of the Territory, a speaker said that he wished the Marianas to establish a close relationship with the United States and to separate from the other districts because it differed from them in culture and language.

129. During its visit to the island of Tinian on 3 March, the Mission held a meeting with the Municipal Council and the public. The Mayor presented the texts of a number of resolutions adopted by the Tinian Municipal Council: the Administering Authority was requested to upgrade the educational standards of teachers and students of Micronesia; to release to the people all military retention lands on Tinian suitable for agricultural development; to permit the establishment of consular offices by Japan, Taiwan and the Republic of Korea in the Trust Territory; to open ports to any shipping lines interested in servicing the Territory; to reconsider the Trust Territory budget and to grant the ceiling as requested; to expedite war claims compensation, and to allow other nations to invest in Micronesia. The United Nations was requested to give the people of Marianas District freedom

to negotiate its future status with the United States without intervention by the Congress of Micronesia; to increase the number of fellowships and scholarships to deserving Micronesians; and to provide technical assistance from the specialized agencies in the economic, social and educational fields. During the discussion, a speaker pointed out that they would welcome foreign investment for the purpose of building hotels provided that it was of benefit to the people of the Territory. Another speaker favoured the return of the military to Tinian as a means of providing job opportunities.

130. The Mission visited the island of Rota on the same day and held a meeting with members of the Municipal Council and the public. During the discussion, the Mayor put a number of requests to the Mission. Rota wished to become a separate administrative district. As a separate district, it would have its own budget; it would improve its capital development programme and it would enjoy better representation. Rota wished to see measures taken to expedite the payment of war damage claims.

131. The Mayor asked the United Nations to request Japan to reimburse Rota Municipality for the amount of phosphate mined during the Japanese occupation. Requests were made for the improvement of the Rota channel, harbour, airport facilities, public highways and roads. It was also requested that the Trust Territory be entitled to apply for all federal assistance that the other geographical areas of the United States were given; and that the Trust Territory budget of $60 million be maintained.

132. Rota wished the Administering Authority to be reminded of its obligations to initiate an economic structure geared towards self-reliance. A good educational system and good health programmes should be established. It also asked that all Trust Territory residents be allowed to enrol in institutions of higher learning other than those in the United States. Finally, a request was addressed to the United Nations to establish an economic commission to study potential land and marine resources, as well as to encourage marketing of those resources in the world market.

133. In Saipan, the Micronesia Legal Services Corporation submitted a communication dated 2 March 1973, enclosing House joint resolution No. 26 of the Congress of Micronesia regarding the Corporation's work in the Trust Territory. The Mission also received Senate joint resolution No. 3, H.D.2 of the Congress of Micronesia expressing the sense of the Congress that the present High Commissioner, Mr. Edward E. Johnston, should be permitted to continue in his present position.

7. Meetings with students in Honolulu and Guam

(a) Honolulu

134. On 31 January, the Mission held a meeting with Micronesian students at the East-West Center, Honolulu. During the discussion, speakers said that the political education programme in the Trust Territory was unsatisfactory. People lacked information concerning the negotiations between the Joint Committee on Future

Status of the Congress of Micronesia and the United States. Concern was also expressed about the absence of sufficient communication between the leaders of the Trust Territory and the people. One speaker felt that no decision should be imposed on the people in regard to the Trust Territory's future. They should first be informed of the merit or lack of merit of each proposal under consideration. In the view of another speaker, Micronesia's ultimate goal should be independence. Free association could be an interim arrangement leading towards that final objective. A third speaker warned that free association could unduly delay the ultimate objective, which was independence. Self-rule, said another speaker, was the unquestionable choice for any people. He thought that there was no disagreement on that point in Micronesia. However, the granting of an immediate independence to Micronesia would be premature because the Trust Territory was unprepared in the economic, social and educational fields. It was believed that Micronesia's economy should be strengthened and made viable to reach the ultimate goal of independence.

135. In regard to the separate talks between the Marianas Political Status Commission and the United States, speakers thought that those talks could set a precedent. They wondered what would happen if other districts were to adopt a similar position.

136. A speaker said that much of the land in the Territory was now government owned. It should be returned to the people to whom it originally belonged. Referring to public expenditure, students felt that it was directed to programmes which were not necessarily of top priority. Economic development should have received the most attention but this was not the case today.

137. Concerning education, speakers said that Micronesians had to learn about the cultural history of the United States and not their own. The Mission should look at the educational system in depth. They said that there was a shortage of classrooms, books and other facilities in the districts. The funds available were not adequate and it was questionable whether they were being used in the best manner.

138. Several speakers questioned the values of successive Visiting Missions and complained that few, if any, possible results were achieved by them. Similarly, the recommendations of the Trusteeship Council did not appear to carry any weight with the Administering Authority. Similar comments were made in every district and many speakers referred to the fact that the Trusteeship Agreement had been adopted without the consent of Micronesia. The question of the extent to which the United Nations could provide effective assistance was a recurrent theme at public meetings held by the Mission.

(b) Guam

139. On 28 February, the Mission held a meeting at the University of Guam with students from the Trust Territory. Among the topics discussed were the future political status of the Territory, political education, land questions and economic development.

140. Some speakers thought that many Micronesians were not aware of the various political options open to them and that only those in the Congress of Micronesia were informed on the subject. The people needed education before being asked to make an important choice concerning their future. Some thought that the time element was of great importance and favoured immediate independence. Others, who considered it wise to move more cautiously, were of the view that the consequences of independence, particularly the financial and economic responsibilities, should be given serious attention and further thought. Finally, some students favoured free association with the United States. One student stated that the High Commissioner should be elected by the people of the Trust Territory and not appointed by the President of the United States.

141. Opinions differed on the issue of separate talks between the Marianas Political Status Commission and the United States. Students from Marianas Islands District supported separate talks while those from the other districts disapproved of them. Students from the Marianas rejected any suggestion of collusion between their district leaders and the United States and said that the Marianas had taken the initiative in the matter. The views of the Marianas people on the subject had been tested through plebiscites. They were against independence but in favour of close association with the United States. Those opposing the separate talks regarding the Marianas future status said that such a move could lead to the Trust Territory's disintegration. Micronesia should continue to be a single entity and its unity should be preserved. A Kusaiean student disagreed with the position taken by the United States in the future status negotiations and suggested the immediate termination of the Trusteeship Agreement. If the Marianas people were allowed to hold separate talks concerning their future, Kusaie too could consider action of its own.

142. Speakers asked for the return of lands to their original owners. Micronesians were attached to their land and should be given the opportunity to exploit it. Reference was made to land taken for military purposes in the Marshalls.

143. Several speakers expressed the view that the growth rate of the Micronesian economy was very slow. Natural resources remained undeveloped, and the economy was heavily dependent on the salaries of government employees. A reconsideration of the economic programme was of immediate necessity. Speakers referred particularly to the "most-favoured-nation clause" in article 8 of the Trusteeship Agreement and said that nations other than the United States should be allowed to invest in the Trust Territory.

144. In regard to education, the students called for the establishment of a college in Micronesia and considered that Micronesian students also should be given opportunities to attend educational institutions in countries other than Guam and the United States. They also requested that the number of scholarships available to Micronesians should be increased. According to the students, they studied more about the culture of the United States than their own and they said that efforts should be made to offer courses dealing with the cultural heritage of Micronesia. A petition was submitted to the Mission by Micronesian students at the University of Guam.

CHAPTER II

POLITICAL ADVANCEMENT

A. General

145. The structure of Government of Micronesia is patterned on that of the United States and therefore based on the theory of the separation of powers. In practice, separation is vitiated by the dependent status of Micronesia, the Administering Authority being at the same time responsible for the appointment of the Chief Executive and the Chief Justice, and having both directly and through the Chief Executive the power of veto over bills enacted by the Congress.

146. In Micronesia, there are also traditional forms of social and political organization which underlie and are, to an extent which varies from district to district, interwoven with the formal imported political structure. These traditional forms exercise considerable influence on popular thinking and on the ways in which decisions are made. They may be and sometimes are in conflict with the imported structure.

147. Micronesia is at present negotiating with the Administering Authority for a new political status. This subject is discussed in the final chapter of the present report. There is agreement between the two parties that the Micronesians should be free, within the framework of the status agreed upon, to determine the form of government most suited to them.

148. There have been changes in the political structure within the past few years, the most important of which have involved some strengthening of the role of the Congress of Micronesia. The Administering Authority still retains its ultimate authority, however, through the appointment of the High Commissioner and through its power of veto.

149. The important question at this time seems to the undersigned to be whether further constitutional advances should be made on a piecemeal basis before the achievement of a new status and before the future form of government has been decided upon through a constitutional convention.

B. The Constitution

150. The formulation and adoption of a constitution drawn up by the Micronesians themselves would play an important part in the Trust Territory's advancement towards self-determination and independence. The importance of this matter was noted in the report of the 1970 Visiting Mission. 1/ A subject of broad

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1/ Official Records of the Trusteeship Council, Thirty-seventh Session, Supplement No. 2.

discussion in Micronesia recently has been the holding of a constitutional conference, the main task of which would be to prepare a constitution and determine the nature and form of the Micronesian State. At the special session of the Congress of Micronesia, held in Ponape in late 1972, a proposal was submitted for the holding of such a conference. The Congress was not able, however, to adopt a decision on the matter. At the session of the Congress early in 1973, the Committee on Judiciary and Governmental Organization submitted a report containing a bill for the convening of a constitutional conference for Micronesia and setting forth the powers, requirements and functions of the conference, the budgetary implications and other matters. The bill provided for the conference to be held in Koror during the spring and summer of 1974. The bill, a product of lengthy consultations both in the Committee and in the Congress as a whole, was not adopted by the Congress and consideration of it was deferred. This circumstance is bound to delay the process of preparing Micronesia for self-determination including, if it wishes to exercise it, the option of independence, and we regret the fact that the working out of a Micronesian constitution has not yet been started.

151. There may nevertheless be some constitutional changes which could and should be made in the meantime on a piecemeal basis. We have not attempted to draw up an exhaustive list of the changes which might be made but we suggest some later in this chapter and in the concluding chapter of the present report. Certainly, changes for which there is widespread support should not be made to wait upon the proposed conference or on the assumption of a new political status. There are some major issues relating to the political structure of the Territory in the future, which no doubt should be held over for discussion at a constitutional conference. One question of great importance is the relationship between the centre and the districts. This is clearly one of the issues which should occupy the attention of the constitutional conference. At the same time, because this relationship has an important bearing on the questions of national unity and the future status of Micronesia, it should be kept continually under review throughout the period leading up to the conference. We refer to this subject again in chapter VII below.

152. We hope that the Congress will, at its next session, decide to proceed with the holding of this conference and will make arrangements for it to be convened at the earliest possible time. It will be important to prepare in advance position papers on various alternative proposals which might come up before the conference and to promote widespread public discussion of these proposals. We recommend that the Administration assist to the maximum extent in preparations for the conference, including the encouragement of public discussion.

153. The conference should, inter alia, direct its attention to the question of traditional political forms and the extent to which they are being and can be made use of in a modern Micronesian State. In this context, we share the view of our two predecessors that, with a Congress of two chambers, legislatures in each district, at the district level and municipal legislatures, and all of this overlying a traditional authority structure, the Micronesians are overrepresented. We consider, as is noted again later in this chapter, that there is a good deal of scope for rationalization of the decision-making process in Micronesia.

C. Political education

154. The proposed joint committee of Congress and the Executive having the task of developing an effective political education programme for the entire Territory the need for which was noted in recommendations of the thirty-eighth and thirty-ninth sessions of the Trusteeship Council - has still not been set up. This is regrettable as there is a real need for such co ordinating machinery in this area.

155. The Administration says that it regards the development of political education as a vital task and there are officers in every district who have this as a primary responsibility. In particular, reports on each of the negotiation sessions on future status have been fairly widely circulated.

156. Nevertheless, it is apparent that, so far, the political education programme in Micronesia has not had much success either in developing general knowledge of systems and events in the Territory and the world at large, or in promoting understanding of issues relating to future status. We repeatedly heard complaints from people in all districts that they were ill-informed about these matters.

157. Political education is not, of course, a task for the Administration alone. It is very much the job also of members of the Congress of Micronesia and the other legislatures, and particularly of members of the Joint Committee on Future Status. Congressmen should be much more active in this field through, for instance, holding public meetings with their constituents. In this context, it is unfortunate that there are no territorial political parties which might further the development of political awareness and understanding. It is noteworthy that in Mariana Islands District, where active parties do exist, those parties appear to have had a real impact on popular feeling and understanding of political questions.

158. In addition to the role which they can play in political education as a whole, political parties, if operating on a national basis, can make a significant contribution through fostering the sense of national unity. Political parties must, of course, grow spontaneously in accordance with the wishes of their members and as a result of the efforts of their leaders. Nevertheless, in view of the valuable contribution they can make to the political process, the Administration might well consider lending encouragement to any moves towards the formation of national parties.

159. The primary responsibility for developing an effective political education programme having an impact down to the grass-roots level rests with the Administering Authority and thus with the Administration. The resources allocated for political education are extremely meagre and it is not surprising, therefore, that rather little is being achieved. As vital decisions have to be taken in the not too distant future about political status, the structure of government and national unity, we consider it of the utmost importance that the Administration make a greater effort to inform the people about these questions.

160. The fact that there is no territorial newspaper in Micronesia is an obstacle to the development of political awareness. The English language weekly Highlights

while of considerable use as a source of information about the activities of the executive and the legislatures, is designed primarily for an official readership. The weekly Micronitor, printed in Majuro, and using English mainly but not entirely, expresses other points of view but has a rather limited circulation. There is a real need for better regular information and opinion-forming material in Micronesia, and the Administration would be well advised to encourage the production of more newspapers, both those using local languages at the district level, and a Territory-wide paper using simple English.

161. The radio broadcasting system is used for political education and should, of course, be a most important means of achieving this objective. However, although most programme directors are Micronesians, we are not convinced that radio stations are being used as fully and as effectively as they might be to foster the development of political awareness among the people. There is certainly a need for balance between the use in broadcasting of English and local languages, but perhaps too much time at present is given up to English. It is also a fact that a good deal of broadcast time is used up by taped programmes from the United States which are often of little relevance to Micronesia. International news is given only from Voice of America tapes or broadcasts of the radio and television service of the United States armed forces. Use could sometimes be made of other international news broadcasts. We realize that popular taste must be taken into account when determining which programmes are to be broadcast. Nevertheless, we believe that broadcasting has an important educational function, technically, culturally and politically, and existing programmes need to be re-examined with this in mind.

162. The Administration should put more effort through the general educational structure and through the techniques used for political education, into encouraging among the Micronesians a greater awareness of the outside world, including information on different political, economic and social systems. Article 76 c of the Charter, which describes recognition of the interdependence of the peoples of the world as an objective of the Trusteeship System, is relevant to this comment. Micronesians, officials, legislators and others, should be encouraged to visit areas of the world other than the United States, particularly developing countries and Pacific neighbours.

D. National unity

163. Micronesia as a political unit is a colonial heritage. There is no natural or long historical sense of unity among the many island groups which make it up. For this reason, it has been the obligation and the task of the Administering Authority to try to build up this sense of unity. This must be a fundamental part of the political education process.

164. There is a considerable sense of being Micronesian, especially among students, and certain things, for example, the flag, the Congress, the trusteeship status, may have contributed to the development of some sense of the unity of Micronesia among the population at large.

165. Nevertheless, that insufficient effort has been put into this is evidenced by the present state of affairs. The Mariana Islands District is actively seeking a political status in the future different from that of the remaining five districts. Since the Mission left Micronesia, the legislatures in the Marshall Islands and Palau districts have taken actions which indicate contemplation of a separate political future for themselves.

166. This question, as it relates to future status, is discussed further in chapter VII below. We wish to emphasize here, however, that although the Micronesians themselves must work out for themselves what kind of future links they wish to have with one another, the Administration is still at this stage obligated to promote national unity in every way possible. The Congress of Micronesia has taken some steps in this direction, but a much greater effort is needed from the Administration and from the Congress. Post offices should be referred to as Micronesian, not as United States post offices. Boy Scouts should be "of Micronesia" not "of America". Perhaps the name "Micronesia" should be used more frequently in an official context instead of the romantic but uninspiring formulation "Trust Territory of the Pacific Islands".

167. Unity does not spring from simple moves like these. It needs solid political, economic, educational and social underpinning. But such moves at this time could indicate a real determination actively to promote Micronesian unity, and that determination is sorely needed.

E. Human rights

168. One member of the Mission considered that the fundamental freedoms of the Micronesians were being violated and that they were being discriminated against in a number of respects. He considers, for example, that gross discrimination is practised on Kwajalein Island (which is leased to the United States Government for military purposes) in that Micronesians, resident or neighbouring Ebeye Island, many of whom are employed on Kwajalein, do not normally have the right to use the shops, hospitals or means of transport (taxis) on Kwajalein which are used by United States residents there and by transients. He considers that the new civil service salary scheme, adopted in February 1973, continues to discriminate unfairly between Micronesians and expatriate employees. He considers also that the exercise of free speech is being obstructed by the Administration in that statements submitted for broadcasting are checked by administration officials before broadcast and in certain cases may be amended or rejected.

169. In respect of these three instances, the undersigned members of the Mission take a somewhat different view. They share the other member's dismay at the striking contrast between the comfortable conditions on Kwajalein and the squalor of Ebeye and are inclined to doubt whether all the restrictions that are applied, particularly those on transport and medical services, are fully justified. They do, however, accept the contention of the Administration, which is supported by the local merchants, that retail facilities on Ebeye need some protection from the competition of Kwajalein and, in the artificial situation which exists because

of the leasing of the latter island, accept that some restriction on purchasing may be justified. Their views on the new civil service salary scheme are given later in this chapter. In brief, the undersigned members of the Mission believe that the continuation of a discriminatory element - the payment of certain special allowances - is necessary so long as it remains necessary to continue to recruit suitable expatriates. With regard to the question of censorship of broadcast statements, the other members of the Mission were disposed to accept the explanation tendered to the Mission by administration officials that statements for broadcasting were examined beforehand only against the criteria of slander and normal principles of acceptability and that statements expressing political views different from those favoured by the Administering Authority would not be and had not in the past been subject to censorship on those grounds.

170. In general, although one member of the Mission considers the atmosphere of Micronesia in terms of human rights and civil liberties to be unsatisfactory and not in accordance with the obligations of the Administering Authority under Article 7 of the Trusteeship Agreement, the other members share the view expressed in the report of the 1970 Visiting Mission 2/ that Micronesians do enjoy a very high degree of personal freedom and the rights to which they are entitled.

F. Congress of Micronesia

171. The Congress of Micronesia is a bicameral legislature consisting of a Senate and a House of Representatives. There are 12 members in the Senate and 21 members in the House. The legislative power of the Congress is limited in that none of its legislation may be inconsistent with treaties or international agreements of the United States, United States laws applicable to the Trust Territory, binding orders of the President and the Secretary of the Interior of the United States, or the major sections of the Trust Territory Code (sections 1 through 12, Bill of Rights). These limitations are an integral part of dependency status.

172. The Congress of Micronesia met several times in 1972 and 1973. The second regular session of the Fourth Congress was held in Palau District from 10 January to 28 February 1972. It passed 78 bills and 52 separate and joint resolutions. The second special session of the Fourth Congress took place in Ponape District from 14 August to 2 September. Fifteen bills and 24 separate and joint resolutions were adopted. The total number of legislative documents considered in the course of the Fourth Congress was 840: 544 bills and 296 separate and joint resolutions.

173. Among the measures adopted by the Congress of Micronesia in 1972, mention should be made of an act granting the Congress advice and consent powers in appointments made by the High Commissioner to certain executive positions; an act concerning the establishment of a bank of Micronesia and an environmental

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2/ Ibid., para. 521.

protection act. In addition, decisions were taken establishing a number of congressional commissions with special powers.

174. Elections to the Fifth Congress of Micronesia took place in November 1972, and its first regular session was held in Saipan between 8 January and 26 February 1973. Although no action was taken on a number of more important issues, and in particular on the proposal to convene a Micronesian constitutional conference, a substantial number of acts and resolutions were adopted during the session, including a resolution expressing the view of the Congress that the Joint Committee on Future Status was the only body able to conduct negotiations with the Administering Authority on behalf of all districts of the Trust Territory.

175. Details of the organization and functions of the Congress of Micronesia were given in the report of the 1970 Mission and there is no need to repeat them here. It should be noted, however, that the powers of the Congress have been expanded in certain respects and that the range of its activities has greatly widened. Members of the Congress might well do more for their constituents, particularly in the sense of keeping them informed of developments, helping them formulate informed opinions and representing those opinions in Congress; should do more for the State in the sense of handling their business more expeditiously and arranging their priorities to accord better with their high responsibilities and ought to do more for the dignity of the Congress by treating such questions as their own salary levels with an austere regard for the capacity of Micronesia to pay. Nevertheless, there can now be no doubt that the Congress is the major Micronesian institution in the structure of government in the Territory, that it is operating with a sense of confidence and, generally speaking, responsibility, and that it must be regarded as representative of Micronesian opinion.

176. We would qualify this last comment by noting that, so far as we could discover, the 1972 election campaign was based only to a relatively slight degree on policies and that, as suggested above, congressmen do not seem to keep in touch as closely as they might with their constituents. Nevertheless, the Congress does formally represent the people of Micronesia, it is the highest legislature in the land, and it should be regarded by the Administration as the proper instrument through which broad lines of policy should be determined.

177. The Trusteeship Council, at its thirty-ninth session, suggested that in the interim period, while constitutional arrangements were being worked out for a new political status, and to facilitate the transition to that status, consideration should be given to the possibility of restricting the applicability of the power of disallowance held by the United States Secretary of the Interior to specific areas in which United States interest continues to be direct. There has in fact been no change in the applicability of the veto to legislation enacted by the Congress, although, as noted in the report of the 1970 Mission 3/ the ways in which the High Commissioner may apply the veto have been restricted.

3/ Ibid., para. 462.

178. Although the proportion of bills vetoed is in practice relatively small, we believe that, at this stage in Micronesia's development, the retention by the Administering Authority of the right of veto across the whole spectrum of possible legislation is no longer necessary or in principle desirable. Accordingly, we affirm the view of the Trusteeship Council that the veto power should now be restricted to certain specified areas and should not continue to be applicable to areas where, in practice, it is not used.

179. The Congress of Micronesia now has an advise and consent responsibility in regard to a number of senior executive appointments, including those of departmental heads, but does not have a role in the appointment of the High Commissioner, the Deputy High Commissioner or Justices of the High Court. The Congress considers it should have such a role. The Administering Authority should give more attention to the view of the Congress on this subject and we comment further on it later in this chapter.

180. The 1970 Visiting Mission had much to say about the financial responsibilities of the Congress of Micronesia and the district legislatures 4/ and we share the opinions there expressed. In the past few years, the Congress has become actively involved in the preparation of the budget and in long-term economic planning. The records of congressional committee hearings on the budget are important documents and congressional opinion on expenditure priorities, planning, co-ordination, and so on, clearly now have much more impact on the Administration than they did three years ago. Furthermore, because of increased internal revenue raisings the Congress now has final authority over the appropriation of substantially larger amounts than it did in 1970.

181. Nevertheless, the proportion of expenditure over which the Congress of Micronesia has this authority continues to be minute. Final determination as to the expenditure of money appropriated for Micronesia by the United States Congress rests with the United States Congress. Both the Congress of Micronesia and the Administration believe it would be beneficial if this situation could be altered in some respects. At its thirty-ninth session, the Trusteeship Council recommended to the Administering Authority that it give further consideration to extending the powers of the Congress of Micronesia with respect to the expenditure of the appropriation of the United States Congress.

182. We have more to say about this subject in chapter III of the present report, which deals with economic advancement. Here we wish only to affirm the view that an extension of the financial authority of the Congress of Micronesia would be a major step forward in the direction of self-government and a major encouragement to the Congress in regard to the development of responsible and truly Micronesian policies in all sectors of government.

4/ Ibid., paras. 469-474.

G. Civil service

183. The civil service has 632 expatriate employees and 6,211 Micronesians. Since 1 March 1971, no new United States civil service appointments have been made and expatriates recruited have been contract employees. The Administration states that it is its aim to phase out virtually all expatriate employment. Since 1970, considerable progress has been made in replacing expatriates by Micronesians and none of the district administrators is now a United States national. Key appointments currently held by Micronesians include the posts of Chief of Immigration, Administrator of the Social Security Administration and Administrator of the Trust Territory Economic Opportunity Office. Nine chiefs of division at Headquarters are also Micronesians. We welcome these appointments. Noting that the Congress of Micronesia now has a considerable say in the approval of senior appointments within the civil service, we hope that the Congress and the Administration will work together to ensure that more qualified Micronesians are appointed to positions of the highest responsibility.

184. Previous visiting missions and the Trusteeship Council, at its most recent sessions, have paid considerable attention to the question of a single salary scale for all employees, Micronesian and expatriate. It is accordingly of interest that on 13 April 1973, a pay plan bill, passed by the Congress of Micronesia during the 1973 session, was signed into law as Public Law 5-51. This pay plan was worked out jointly by the Congress and the Administration. It embodies two main features: (a) a basic salary schedule for all employees; and (b) a system of allowances and premiums to attract and retain employees from higher paying labour markets.

185. The law provides for a recruitment premium to be determined by the Director of Personnel with the approval of the Trust Territory Personnel Board and the High Commissioner based on the prevailing rates for similar occupations in the United States. This provision is designed to enable the Government to recruit non-Trust Territory citizens for key jobs at competitive rates. An additional aim of this recruitment premium is to offer a competitive salary to highly qualified Micronesians, such as doctors, who might otherwise be tempted to practice their skills outside the Territory.

186. We welcome the fact that at last it has been found possible to implement a single salary scale for all employees, irrespective of national origin, and that the pay plan is broadly in accordance with some of the previous recommendations of the Trusteeship Council. On the basis of information now available, however, it is unclear whether other recommendations made by the Trusteeship Council at its thirty-ninth session have been taken into account, in particular the recommendation that the recruitment premium for expatriate officers should be paid by the Administering Authority and not be a charge on the territorial budget, and that the level of salary scale should bear some relationship to the general wage level of the Territory and the level of productivity.

H. The Executive

187. The executive authority for the Government of the Trust Territory and the responsibility for carrying out the international obligations undertaken by the United States with respect to the Trust Territory are vested in the High Commissioner and are exercised and discharged under the supervision and direction of the United States Secretary of the Interior. The High Commissioner is appointed by the President of the United States with the advice and consent of the United States Senate. The Administration of the Territory consists of the High Commissioner and his headquarters staff, together with the district administrators and their staffs in the six districts.

188. The basic situation is accordingly almost identical to that reported by the 1970 Visiting Mission. 5/ However, since 1970, the actual powers of the High Commissioner have in some important respects diminished and, conversely, further authority has been given to the Congress of Micronesia. At its second regular session, in 1972, the Fourth Congress of Micronesia approved a bill (subsequently signed into law) requiring the advice and consent of the Congress on all major administrative appointments made by the High Commissioner. Also since 1970, the High Commissioner has been required to submit the Territory's budget to the Congress for review and certain limitations have been imposed on his powers of veto. In recent years, the High Commissioner has used his veto relatively infrequently (only three occasions in 1972), which may illustrate the efforts being made by the legislature and the executive to co-operate with each other in the business of government. Nevertheless, the Administering Authority does retain formally a very broad power of veto. As noted above, we believe that the Administering Authority might well at this time consider limiting its veto power to certain specified areas of legislation.

189. It was suggested to the Mission by members of the Congress of Micronesia that the advice and consent process should be extended to the appointment of the High Commissioner himself, the Deputy High Commissioner and the judges. The method to be used in future in selecting the chief executive is one of the basic constitutional questions, referred to at the beginning of the present chapter, which will need to be discussed at a constitutional conference. That need not necessarily hold up interim change and consideration should be given as a first step to making the position of Deputy High Commissioner subject to the advice and consent of the Congress.

190. The High Commissioner at present holds regular meetings with his senior officials and heads of departments who are collectively referred to as the Cabinet. This body includes several senior Micronesian officials. This procedure promotes the collective consideration of problems by the senior civil service personnel. It does not, however constitute a true cabinet in the strict sense of the term, as neither the High Commissioner nor any of the other members hold an elected position. In other developing dependent Territories (e.g., Papua New Guinea) a cabinet or an executive council has been found to be one of the

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5/ Ibid., paras. 475-481.

best means of educating future leaders in the techniques and responsibilities of government, and has proved helpful in moving through the transitional stages from political dependency to autonomy. As did our predecessors, we had the impression that the territorial Administration is still generally regarded throughout the Trust Territory as a United States, not a Micronesian institution.

191. Involvement of elected representatives in the executive direction of government would, of course, be a radical departure from the existing system based on the separation of powers. It is for a constitutional conference to decide whether such changes should be made. It is worth emphasizing, however, that the more Micronesians can be seen to be deciding on and executing policies, the more confident will they become in their ability to govern themselves.

I. Local government

1. Municipalities and district legislatures

192. For a Territory of just over 100,000 people Micronesia appears to have a system of representative government, especially at the local level, which is top-heavy with too many legislatures representing, proportionately, too few people. This is perhaps inevitable when applying a modern democratic structure to a Territory of scattered and isolated communities, but there does seem to be scope for rationalization, especially with regard to the duplication of functions as between municipal and district government.

193. We found that at both the municipal and district level legislators had only a vague idea of their functions and powers. We consider that a large number of the complaints we received concerning the lack of authority, especially in regard to the district legislature (and we received many) sprang from this situation. We observed, for instance, that the district budgets were drafted in close consultation with the legislatures and that each session of a district legislature resulted in the adoption of a considerable number of resolutions and the enactment of new legislation on a wide variety of topics. Although complaints were made about the use of the veto by the district administrators to nullify proposed legislation, instances of this were, in fact, relatively uncommon. Inevitably, following the establishment of the Congress of Micronesia, the powers of local legislatures diminished to some degree and major decisions are now taken (and seen to be) in Saipan.

194. A major restructuring of the relationship between the central Government and the districts may have to await the drawing up of a new constitution for the Territory as a whole. In the meantime, however, there is no reason why district legislatures should not work up to their statutory limits. We note that in some districts seminars have been conducted to familiarize local legislators (both municipal and district) with their responsibilities, encouraging them to discuss how to work more efficiently within the present legislative framework.

195. As in the case of district legislatures, any comprehensive reorganization of the framework of municipal government may have to await decisions on the whole constitutional system of the Territory. When such decisions are being taken, serious consideration might be given to determining whether or not the present system of municipal councils is really necessary. In many areas, especially those away from the district centres, the traditional forms of authority appear to be working well and the establishment of municipal councils in some of those areas, involving to some extent the setting up of a system in rivalry to that which has been established for generations, has led to some friction between the old way of life and the new. In some cases, the local traditional ruler has been elected to the post of magistrate and although friction has accordingly been avoided, little has been achieved in increasing the efficiency of the system. In some other areas, the councils have produced duplication and, as pointed out in the 1970 Visiting Mission's report, 6/ the incomes of many of these municipal councils are generally only sufficient to cover the salaries of those officials administering them and the expenses of the councilmen serving on them. Duplication of local authority should be avoided as much as possible, and the guiding factors should be the wishes of the people, existing traditions and specific circumstances.

196. In the larger district centres, where the income at the disposal of municipal councils allows more scope for productive activity, there may be a case for keeping these bodies in being. Here again, however, it is possible that their functions could as efficiently and more economically be exercised by, for example, a sub-committee of the district legislature. If it is decided that municipal councils in the district centres are unnecessary, considerable savings and streamlining could be achieved; for instance, it is questionable whether the municipality of Koror, with a population of approximately 6,000, really needs a council of 27 members whose remuneration takes up a large percentage of the municipality's budget. There are, of course, other areas, isolated from district centres but with sizable populations, where a legislative body in addition to the district legislature may be required. Kusaie and Rota are examples of these.

2. District administration

197. In each district, the district administrator is the High Commissioner's principal representative and exercises general supervision over all operations, programmes and activities of the Territory in his area. Thus, the district administrators are the key officials away from headquarters and the Mission notes with satisfaction that five of the districts are now under the authority of Micronesian officials, (four of whom are serving in their districts of origin. The sixth has a Guamanian, long resident in the Territory.

198. It seems to us that, since the 1970 Visiting Mission reported, the district administration system is working more efficiently and a further degree of decentralization, actual if not formal, has taken place. The Mission was told that the tendency for heads of departments at headquarters to deal directly with

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6/ Ibid., paras. 487-491.

their subordinates in the districts and bypass the district administrator - a tendency reported by the 1970 Visiting Mission - happens less frequently. District administrators informed the Mission that they were generally content with the relationship between the district and the central Government. The High Commissioner conducts a weekly conference with district administrators by radio hook-up.

199. As in the case of the district and municipal legislatures, any formal alteration in the relationship between district legislatures and administrators (and the question whether the latter should be elected or not) should be reviewed during a constitutional conference. What has to be decided is whether the needs of Micronesia are best served by a strong central government, a loose federal structure or something, clearly defined, in between. More decentralization might satisfy those areas which at present feel not only isolated from Saipan but from their own district centres. Kusaie is a case in point. At present, there are representatives of the district administrators in some of the more populated outer islands, including Kusaie. Both Rota and Kusaie have petitioned the Congress of Micronesia and the Administration to become separate districts (Rota had this status previously) and although we have some sympathy with their views we consider that final decisions on such cases should not be taken in isolation from the basic question of the exact nature of the relationship between the capital and the existing district authorities. In the meantime, consideration could be given to increasing the powers of the representative of the district administrator in those islands, perhaps bringing them in line with those now exercised by the district representative in Ebeye.

J. Judiciary

200. We have the impression that at the community and district levels the judicial system is working reasonably well. The community courts, despite their very limited jurisdiction, do provide an essential contribution to small communities and the Mission was told that in all those areas where the community courts have been established they have been readily accepted by the local population. They do not, however, exist in all areas of the Trust Territory and, in some districts, the customary system of justice prevails at the community level. As the customary system is accepted by the people of the areas concerned and is obviously workable, we feel it should be persevered with and that the more formal structure of community courts should not be imposed merely for the sake of administrative neatness. It has been suggested that, in view of the efficiency of the community courts, their competence should be extended and powers increased. We do not feel competent to express a view on this, but hope that the suggestion will be given careful consideration by the Administration.

201. The district courts also appear to be working well and are generally well regarded in most areas. Micronesians trained in modern jurisprudence are still scarce but more qualified Micronesian lawyers are now being appointed to district benches, in most cases to serve with their senior colleagues who, although lacking recognized legal training, have considerable experience in administering both customary law and the Trust Territory Code.

202. Although it is certainly putting it too strongly to say that there is a crisis of confidence in the Territory's High Court and appellate system, great concern was expressed to the Mission about the operations of the High Court, which many tended to regard as an instrument of the Administration. It was stated, especially with regard to land disputes with the Administration, that the Court was often either reluctant to become involved or was formally debarred by the Administration from hearing a case. It was also alleged that in several cases the Court had found in favour of the Administration against the balance of the evidence. Such accusations of partiality were frequently linked to complaints about two of the expatriate Associate Justices of the High Court, who were themselves the subject of resolutions passed by a district legislature and by the Congress of Micronesia requesting their dismissal. It was also suggested to the Mission that confidence would be restored in the High Court if appeals from the Territory's Appellate Division were permitted to courts outside Micronesia. There were also some complaints that there were inordinate delays in the hearing of cases and the consideration of appeals.

203. Owing to our many other preoccupations, we were not able to devote as much attention as we would have wished to these problems. On the basis of what we saw, however, we suggest that consideration be given to the following proposals:

(a) Pending the completion of the work of the Land Commission, district courts should be given some jurisdiction in land cases. This jurisdiction might also be extended to certain categories of maritime cases, especially those involving rights of ownership within territorial waters where there is conflict between customary law and the Trust Territory Code.

(b) The Administration should consider adopting a more flexible attitude towards invoking its right of sovereign immunity.

(c) The district court should be represented, as an obligation rather than as a matter of choice (as is the present situation), on the High Court when cases pertaining to that district are being heard.

(d) Further consideration should be given to extending the present appeals system to allow cases to be heard by the United States Ninth Circuit Court of Appeals. Everyone with whom the Mission discussed this question agreed that such an extra-territorial extension of the appellate system would be a useful check on the present administration of justice in Micronesia. The length of time which such an extension of the appellate system should endure would of course be affected by decisions taken about future status and about the future constitutional structure of Micronesia.

(e) To speed up the legal process at the level of the High Court an additional associate justice should be appointed. Ideally he should be a Micronesian.

204. We do not consider it appropriate to comment in detail on the controversy surrounding the two judges of the High Court referred to above. We do feel bound to say, however, that the existence of such feeling which has culminated in formal resolutions of legislative bodies indicates an unhappy state of affairs that cannot be ignored or brushed aside. We believe that the Administration has a clear duty to respond to the requests of the legislatures and, if it is not prepared to act on these requests, to explain clearly why.

CHAPTER III

ECONOMIC ADVANCEMENT

A. Introduction

205. Much information on the economy was put forward in the report of the 1970 Visiting Mission and much of what our predecessors had to say remains valid today. There has been progress over the past three years, but the progress has been disappointingly small. No Micronesian with whom the Mission discussed the economic scene felt that there had been any real movement towards self-sufficiency.

206. Complete self-sufficiency for Micronesia, except at a standard of living which would be unacceptable to most of its people, is doubtless unattainable. But there is in the Territory, now more than before, a felt need to move significantly forward in the direction of self-sufficiency. Increased consciousness of the lack of economic progress springs from heightened political awareness and from the sense that Micronesia's options in negotiating a new political status are reduced by its dependent economy. It is this factor, more than straightforward economic considerations, which seems to make people throughout the Territory concerned at continued deficiencies in the transportation system and the slow rate of development in agriculture and fisheries.

207. In the following sections we have signalled out a number of matters relating to the economy for description and comment. We have not attempted a comprehensive report on all aspects of economic development. Rather, we have focused our attention on areas where we consider progress has been or should be made and where, in our view, a substantially more active government policy is required. We do not as a group express any opinion on the merits in principle of different economic systems. We are, however, of the opinion that in the particular circumstances of Micronesia at this time it is not appropriate to depend exclusively on private enterprise to set up production projects. Given the lack of indigenous capital and the shortage of experience and expert knowledge, there is a role for government intervention in various sectors of the economy, and such intervention should not be ruled out because of adherence to any particular economic philosophy. Practical needs should be the determinant of courses chosen.

208. Those signing the report wish to note here one development which we believe is of considerable consequence. That is the increased involvement of the Congress of Micronesia and the district legislatures in the determination of economic policies. As is noted elsewhere, the powers of the legislatures, particularly those of the districts, are circumscribed by the limited amount of funds over which they have direct and final control. Nevertheless, all legislatures are actively engaged in the determination of economic policies and the formulation of budgets, and all seem to take this task now very seriously indeed. The Mission was impressed by the report on economic development in the Trust Territory of the Pacific Islands produced at the beginning of 1972 by the House of Representatives

Committee on Resources and Development. It was impressed also by the report of the Congress Joint Committee entitled Marine Resource Development in Micronesia, published at the beginning of 1973.

209. We believe that it is the responsibility of the Congress of Micronesia, in co-ordination with the districts, to make decisions about what kind of economic development should take place in Micronesia. It is up to the Congress to make decisions about priorities. These decisions are essentially political decisions and the elected representatives of the people should take them.

210. There is, of course, a close relationship between decisions about the general pattern of economic development and priorities on the one hand, and decisions about the actual expenditure of funds on the other. Because of substantially higher internal revenue collection, deriving from income and business taxes, the Congress now has greater scope than in the past to direct the course of development through expenditures which it alone controls. Also, through the now established pattern of budget hearings, Congress plays a major role in the formulation of the annual budget. It does not, however, exercise final control over the expenditure of the appropriation of the United States Congress which still provides most of the money available for expenditure each year. The Mission was informed that line expenditures proposed by the Congress of Micronesia and supported by the territorial Administration have rarely been amended by the United States Congress. There is, nevertheless, much to be said for extending the formal responsibility of the Congress of Micronesia by giving it final authority for the expenditure allocation of a greater percentage of the budget as a whole. We recommend, therefore, that the Administering Authority give further consideration to the views expressed by the Trusteeship Council on this point.

B. Land

211. The system of land tenure is described in detail in the report of the 1970 Visiting Mission and in the annual reports of the Administering Authority. It is based on a more or less complicated combination of traditional family rights. In the Marshall Islands and in Palau the claims of the paramount chiefs to exercise land rights throughout the land are recognized. In Ponape, the Nahnmwarkis complained that not enough recognition is given to their authority over land use. Micronesians can usually obtain land for cultivation except perhaps in Saipan. Nevertheless, a relatively small portion of the Territory is in fact used for growing commercial crops. On the few islands in the Territory of any size there are large expanses of fallow land.

212. It should be borne in mind, however, that almost two thirds of the Territory is public land, the proportion varying from one district to another. In Saipan and Tinian, the fallow land is usually part of the public lands which are reserved for the military authorities (retention land). As previous visiting missions have noted, the population continues to be under the impression that the public lands belong to the United States and not to the Territory.

213. Occasionally, particularly in Saipan and Palau, the Administration has split up the public lands into concessions (homesteads) which are parcelled out on condition that they are developed within three years. On Saipan, the Mission heard contradictory complaints about these concessions: the former owners considered that the land used for these homesteads should be returned to them; persons who did not have enough land preferred that more homesteads be parcelled out. The Administration has replied that it lacks the resources to accelerate this process.

214. Although a considerable proportion of the disputes in the Territory relate to land rights, the principle has been maintained that all disputed claims to land should be brought directly before the High Court, a relatively distant body composed of expatriates. The Mission was informed that the district courts and the community courts already had the power to reconcile parties in land cases but that the parties did not submit their disputes to them.

215. The Land Commissions Act of 1966 is still being implemented but land owners voiced the following complaints concerning its application:

(a) Since registration teams work systematically on all land in a given zone, claimants to property not in those zones are unable at that time to have their claims considered.

(b) Contrary to what was hoped, land registrations were not completed by June 1970 and will not be concluded for several years, perhaps not before the end of the next decade; the main role, particularly as far as reconciliation is concerned, appears to be played in practice not by the land commissions, but by the registration teams. These have an immense task: there are 35,000 parcels in Yap and about half that number in each of the other districts.

(c) The land commissions will not register a plot of land, unless they receive the title claim in writing.

(d) In general, the population does not understand the advantages of registration: some people fear that the Administering Authority has ulterior motives; others, the chiefs, for example, view it as a means for individuals to escape their traditional authority.

216. A specific land problem raised before the Visiting Mission was that of land from which large quantities of phosphates had been extracted by Japanese firms before the war. The islands affected were Angaur, Tobi and Sonsorol in the district of Palau and Rota in the Marianas. The population of Angaur has raised the question with previous visiting missions. The Palau Legislature adopted a resolution (see T/COM.10/L.85) on 21 April 1972 requesting the Government of Japan to pay the sum of $1 million for the phosphates mined on the islands of Tobi and Sonsorol by the Nanyo Kahatsu Kaishia.

217. Although the sale of land to foreigners is not authorized, the Mission found an offer of sale in a Saipan newspaper which specified no conditions as to possible buyers. The offer related to approximately 112 acres.

218. The question of land used by the military authorities is taken up in chapter VI which also deals with land problems in Bikini, Eniwetok and Ebeye, in the Marshall Islands, and with questions raised by three petitions, handed to the Mission at Truk.

219. The controversy relating to the use of Micronesian land by the United States armed forces after the trusteeship is terminated is taken up in the chapter on the future of the Territory.

220. The construction of the Hotel Continental at Microbeach (Saipan) is referred to in the latter part of the present chapter. The problem involves a 30-year lease to Continental Air Lines of 10.5 acres situated on public land and adjoining the only public park in Saipan for the construction of a hotel at a cost of $7 million. Acting on behalf of the Government of the Trust Territory, the High Commissioner granted the lease despite active opposition by the local legislature and by Mr. Herman Q. Guerrero, who, with 10 other residents of Saipan, submitted the matter to the District Court of Honolulu, alleging a violation of the United States law on the environment. The case is sub judice.

221. The Mission noted that the lawyers of the Micronesia Legal Services Corporation, a body subsidized from the United States federal budget through the Office of Equal Opportunity, showed keen interest in land problems and concentrated much of its activities on following up land claims against the Administration.

222. In the light of the information received during our visit, we recommend the following:

(a) A brief but unambiguous description of the principal customs of land use and tenure which are effectively applied in Micronesia should be compiled and published.

(b) The question of what constitutes public land should be the subject of a comprehensive review. Part of the public land was acquired in dubious circumstances by the German and Japanese administrations and should be returned; the remainder, while retaining its public character could be redistributed to the Territory, the districts, as concessions (homesteads) and possibly to the communities.

(c) The reasons why the present system of courts dealing with land questions does not give satisfaction should be studied so that land disputes can be settled expeditiously and cheaply. It was suggested to the Mission that special land courts might be set up or that the land commissions, which are para-legal bodies, should be utilized. Instead of the first solution, which would simply shift the problem, the second solution might be considered inasmuch as the commissions are already settling certain disputes, but are slow and overburdened The Mission was gratified to learn that Bill No. 64, increasing from three to four the number of land commissioners with the right to vote, was approved by the Micronesian Senate in February 1973 and might subsequently be approved by the House. We also refer to our comments on this question in chapter II, on political advancement.

(d) There should be a more flexible application of the Land Commission Act. Its implementation is particularly costly, when compared with the resources allocated to the development of agriculture and fisheries. The Mission is gratified that Bill No. 64 specifies that the main purpose of a commission is to carry out, "when it deems necessary" the registration of land. We regret that the bill has not yet been passed and hope that it will be approved at the next session of Congress because, in Micronesia as elsewhere, systematic registration is a method which seems logical but is usually costly and often useless.

(e) Special attention should be given to the highly overpopulated district of Truk.

(f) The competent authorities should ensure that land registers are kept up to date after registration.

(g) The registration campaign, which is necessarily slow and perhaps too much of a luxury for a poor Territory, should not be used as a pretext to justify failure to deal with current land problems.

(h) The question raised regarding Japanese mining of phosphates should be the subject of a final and unequivocal decision, with a choice being made between contradictory principles of law: on the one hand the principle that a royalty should be paid to the owners of land for the exploitation of mineral deposits; on the other, principles such as the non-applicability of claims that go back too far, no fault if the law has been correctly applied, etc.

C. Agriculture

223. Micronesia, like so many other developing countries, is in the difficult stage of transition between a subsistence economy and one based on production for sale. It is faced with the same problems (land rights, cultural attitudes, infrastructure needs, the lack of technical and business management skills, etc.) as those of other developing countries. The compulsion is for developing countries to achieve in a short time the transition which took a very long time indeed in what are now developed countries. In the latter, the transition often took place with little government intervention. There was no pressure of time. There was no great sense of urgency. But developing countries today have this sense of urgency, not least in Micronesia, and because of the difficult barriers to change which exist, growth and development are usually difficult to accomplish without an active and well-financed policy of government intervention.

224. The Administration has adopted sound objectives in its agricultural policies. It seeks first of all to develop production for the domestic market and to develop the systems, organization and facilities for processing, storing, transporting and marketing of agricultural products. Secondly, it seeks to promote production for export. This is, in our view, the right order of priorities.

225. But the amount of the budget devoted to the agricultural sector for the current fiscal year is a mere 2.5 per cent and, as the Mission was informed, this will rise to only 3 per cent by the fiscal year 1975. Furthermore, the credits made available to the agricultural sector under the Development Loan Fund have amounted to only just over 15 per cent of the total loans made from the Fund.

226. On the basis of the projects seen by the Mission, we felt that agricultural officers in the districts were generally doing a creditable job in encouraging commercial farming, given the limited means at their disposal and the difficulties with which they had to contend. Nor do we doubt that the Resources and Development Department, like the Congress of Micronesia, devoutly wishes to see agriculture in Micronesia expand rapidly and provide the products for domestic consumption and for export which the country so badly needs.

227. In the present circumstances, however, this can only take place if the Government does what is necessary to encourage it. We came across many instances of attitudes among farmers which were, on the surface at least, inimical to any rush into commercial agricultural production, but we were not convinced that these truly reflected the underlying feelings of the farmers. Farmers everywhere are naturally reluctant to produce crops unless they can be assured beforehand that they will be able to get them to market and sell them, and that, in their judgement, the income they earn will be worth the labour involved. The farmers of Micronesia are not going to be so assured until they see an effective transportation and marketing system in operation, and until they have government agricultural officers, in whom they have confidence, readily available to advise them on what crops to produce, what fertilizers and pesticides to use and so on

228. The House Committee on Resources and Development of the Congress of Micronesia has emphasized the need for a systematic approach to agricultural development. There is no doubt that the Government recognizes this also and that the Agricultural Division of the Department of Resources and Development is seeking to promote policies in regard to co-operative formation, labour utilization, transportation and so on which will facilitate the growth of agricultural production. It seems fair to say that there appears now, far more than in 1970, to be an active programme to encourage agricultural development, which has the support of the legislatures and the Administration at all levels.

229. Nevertheless, we were left with the impression that in all districts agricultural services were desperately short of the money and staff needed to start programmes moving ahead effectively. Too many extension workers are still relatively untrained. Agricultural co-operatives, which the Administration says it wishes to encourage, are left largely to their own devices. There is an enthusiastic co-operatives officer at Headquarters, but he appears to have little staff support, field officers in the districts with responsibility for co-operatives having for the most part many other duties. There is little use of the radio for extension programmes, although their value has been clearly shown in many other countries. Furthermore, despite the fact that agricultural courses now seem to be given in some schools from the sixth grade onwards, we did not get the impression that agricultural training and the development of an interest in

agriculture in adolescents were regarded as important objectives. The fact that the Micronesian Occupational Center has had no courses in agriculture (or fisheries) since its inception is a fundamental absurdity.

230. Changes have indeed taken place since 1970. Production of livestock has expanded considerably and work in the forestry sector has gone ahead. Both of these sectors are treated separately below. The copra industry, which remains the most important single element in the Micronesian economy, has been gravely affected by fluctuations in the world market price as well as by continuing problems with transportation and labour. Coconut products are also discussed separately later in this report. The production of certain specialized agricultural products, notably pepper, cacao and rice has expanded somewhat, although the value of production for each item in the fiscal year 1972 remained very small. The production of fruit and vegetables is being actively encouraged and the marketing possibilities, both domestic and export, for most fruit and vegetable crops which can be grown in Micronesia seem to be substantial.

231. Nevertheless, progress has been very slow. Agricultural exports from Micronesia, which has in Guam and Kwajalein what should be captive markets, remain very small, and the amount of imported food-stuffs continues to grow. This is cause for despondency because there is, despite the limited land area of Micronesia, plenty of relatively good unused land which could be brought into productive use and, given Micronesia's geographical and climatic position, there are good possibilities for export production. We were pleased to discover that farmers' markets have now been established, or will soon be completed in all district centres. These should help encourage production for local consumption. Business at the markets we saw was, however, very sluggish and we were inclined to doubt whether much was being done to encourage people to regard these markets as a major centre for the sale and purchase of agricultural commodities.

232. There is one general recommendation in regard to agriculture that we should like to make. We were impressed by the work of the Congress of Micronesia, through its Joint Committee on Marine Resources Development. The Congress should also become the main engine for determining the course and pace of development in the agricultural sector. We therefore suggest that the Congress of Micronesia consider establishing a permanent joint committee on agricultural development with similar broad terms of reference to those it may accord its Committee on Marine Resources Development.

233. We also wish to recommend that more attention - and financial support - be given to the development of agricultural co-operatives, both for the purpose of joint purchase of supplies and the operation of agricultural equipment, and for the marketing of produce. The traditional structure of Micronesian society, despite inroads made by modern life, provides a great and as yet largely unutilized opportunity for the development of co-operative enterprises which can harmonize and co-ordinate modern commercial needs and old cultural practices.

1. Coconut products

234. In the first weeks of its tour, the Mission heard many speakers refer to the difficulties being caused by the low world price for copra. It was consequently pleased to learn that, by March, the price had risen to $190 per ton and that the Copra Stabilization Board would decide on a substantial increase in the price paid to growers.

235. This change in the current world market scene, together with the decision of the Congress of Micronesia, at its Fifth Regular Session to appropriate an additional $300,000 for the Copra Stabilization Fund, has brightened the immediate outlook for the copra industry.

236. Nevertheless, it is difficult to be optimistic about the long-term future. In introducing to the Congress the measure to appropriate additional money for the Fund last January, Representative Silk said that he did so "with the positive hope that the fund will either allow the copra industry to weather these bad times... or provide a breathing spell during which we can re-evaluate just what course we must follow in the future to protect the best interests of our people".

237. Copra is of the greatest importance to Micronesia, not so much because it is a principal export but because, for many rural Micronesians, and especially for those in the outer islands, it is still the only available source of cash income. The industry is in difficulties not solely because of the world market situation but also because of labour shortages, the inadequacies of the replacement programme and storage and transportation problems.

238. We are of the opinion that there is a need at this time for a co-ordinated programme of government activity to shore up, if we may so express it, the coconut palm. Some elements of such a programme do exist. Entomological protection measures appear to be well developed. The Stabilization Board is employing an agricultural co-operative officer to assist in the establishment and operation of co-operatives in the Marshall Islands District. Consideration is being given to the development of other coconut products including desiccated coconut, coir fibre, animal feed and handicrafts.

239. The Congress of Micronesia had before it at its most recent session, but did not enact, a bill to establish a government authority to process, manufacture and sell products derived from the coconut palm and to preserve and revitalize the copra industry. Whether or not the establishment of a new government authority for these purposes is the best path to choose is for the Congress and the Government of Micronesia to decide. The Copra Stabilization Board evidently must continue to play a vital role, and is now involved in decisions regarding the development of other coconut products because of the impact they may have on the production of copra. What seems clear is that there is a need for active government involvement in the promotion of the coconut economy and careful co-ordination within the government apparatus of all activities bearing on that economy. Testimony concerning the use of fibre twisting machines before the Joint

Congressional Committee on Programme and Budget Planning during consideration of the preliminary budget for 1974, appeared to us to indicate some reluctance to contemplate such involvement. However, in the prevailing circumstances - the handicaps posed by geographical and cultural factors, the shortage of local private capital - energetic government activity seems to be a sine qua non.

240. A stepped-up government effort to encourage the formation and help in the operation of producer co-operatives should be an integral part of this involvement. Measures to improve outer island transportation services are likewise essential. Lastly, as what is basically at issue is the standard of living of the rural people, a co-ordinated programme for developing the coconut economy should be related consciously and continuously to progress in the commercial development of other agricultural crops and fisheries.

241. We are not in a position to make any more specific recommendations in this area, although we would commend the need for continuing close relations with appropriate bodies in other coconut producing countries of the Pacific and South-East Asia, bilaterally through the South Pacific Commission and perhaps eventually through Micronesian membership of the Asian Coconut Community.

2. Livestock

242. Farmers in all districts are being encouraged to interest themselves in the raising of poultry and pigs. The Administration is trying to improve the quality and the management techniques used in the raising of domestic animals and poultry kept by subsistence farmers. It is also encouraging individuals to raise poultry and pigs on a commercial basis. The demand for eggs and meat products is substantial throughout Micronesia, and local egg and pork production appears now to be having some effect on the import of these items. District agricultural officers should continue to encourage this trend and the necessary finance should be made available, both to the Department of Agriculture for its breeding and guidance services, and, through loans, to farmers wishing to establish commercial enterprises. It is also important that at the district and headquarters levels the growth of production and demand be monitored carefully with a view to assisting farmers, where necessary, in the marketing of their supplies.

243. The development of local sources of animal feed remains a considerable problem. The Mission was told in Yap that a study relating to feed for pigs had arrived at the conclusion that whether local or imported feed was used, the cost would be about the same or perhaps slightly in favour of import. In such circumstances, it should be policy to encourage the use of local feed both on the grounds of the general stimulus this could give to other types of production and on the principle of encouraging self-sufficiency wherever this is feasible. A larger and more imaginative effort should be put into the development of local sources of feed for livestock.

244. Cattle raising continues to be concentrated mainly in the Mariana Islands District, although there appears to be some scope for its extension in the other high islands. The Micronesian Development Corporation has done considerable work on

Tinian to improve pastures and the water supply. It has established a new slaughter-house and refrigeration plant and hopes to have installed a fairly complete meat processing plant by the middle of this year. The Corporation told the Mission that, where possible, it was training Micronesians to take over positions currently held by aliens - 8 out of a total of 38 - but that it faced some difficulties in recruiting locally. We hope that the Corporation, which, as a foreign-owned enterprise, has a definite obligation in this regard, will pursue this objective vigorously. We hope further that the Corporation will provide training facilities for Micronesians from other districts to encourage the development of the cattle industry and as prospects of developing ranch-type cattle projects emerge elsewhere.

3. Forestry

245. Forest management and development is of importance to the Territory for the conservation of its natural resources, including particularly watershed control, and because, in the long run, it will make possible a proportionate reduction in the amount spent on imported timber. The Mission was informed that at present about 1.5 million board feet are imported each year at an estimated cost of $900 000. There is, of course, a long lead time in the development of a timber indsutry from other than natural forests and the effects of the forestry work now taking place in an effort to develop a substitute for imports will not be felt before the end of the 1980s. The length of time required for this development spotlights the relative neglect of forest management throughout the period of colonial administration and as late as the middle of the 1960s.

246. Funds currently budgeted for the work of the Forestry Section are quite small. Nevertheless, the Section appears to be achieving significant results in tree planting on both public and private lands, in the promotion of interest in afforestation and in spreading recognition of the importance of conservation measures. The Mission noted that the Committee on Resources and Development of the House of Representatives made no reference to forest development in its 1972 report on economic development. Members of the Congress are now reportedly more aware of the long-term importance for Micronesia of work in this field. Forestry in these islands will never become the major industry which it is actually or potentially in some of the Territory's larger Asian and Pacific neighbours. Nevertheless, forest development should be pursued consistently and with adequate funds for its value as an import substitute, as a source of productive employment opportunities and as a conservation measure, all of which bear on many other aspects of economic development, including general agriculture, water supply and tourism. We were pleased to learn that trainee foresters are being or will be recruited for Yap and Truk districts and for the island of Kusaie. In all districts other than the Marshalls, there appears to be scope for afforestation work.

247. In many developing countries, tree planting has proven to be a fine stimulus for community activities. This should prove to be the case in Micronesia also, and we hope that the Government and the Congress will in future encourage the development of a forest industry and the promotion of community interest in the reafforestation of the islands. Although recognizing that decisions on this matter

should be based on proper land utilization studies, we feel also that consideratin might be given to accelerating the planting of suitable public land-holdings with commercially exploitable timber.

D. Marine resources

248. In January 1973, the Joint Committee on Marine Resources Development of the Congress of Micronesia presented a report entitled Marine Resource Development in Micronesia, which concentrated on the major task of finding a means of meeting the domestic demand for fish. In the introduction to the report, the Joint Committee contrasted the situation of the fishing industry in Micronesia between 1930 and 1940 and the situation in the post-war peak year of 1969. The Joint Committee concluded that the existing state of marine resources development in Micronesia was "pitiful".

249. Having in mind what might have been, it is hard to disagree with this conclusion. The marine resources of Micronesia should be its greatest asset. When the Administering Authority accepted the trusteeship of Micronesia, it accepted a specific obligation to "encourage the development of fisheries" (article 6.2 of the Trusteeship Agreement). Yet for most of the period up until the late 1960s, development efforts were negligible.

250. The situation now is different in that the Administration recognizes that marine resources development should have high priority. The Marine Resources Division of the Department of Resources and Development seemed to us to be staffed both at Administration headquarters and the district level by energetic and enthusiastic officers eager to get things moving within the limits of available resources. The trouble remains, however, that the resources available under the budget continue to be very small compared with the size of the task to be done. It is fortunate that the Congress of Micronesia itself is now, belatedly, taking a strong interest in this area; is appropriating considerable funds for its development; and is taking decisions about the path that development should follow. That is the most hopeful aspect of the present situation in Micronesia concerning marine resources.

1. Protection of territorial waters

251. Micronesia has at present a 3-mile territorial sea, plus a 9-mile conservation area. Lagoon waters are regarded as Micronesian domain. Micronesia is dependent mainly on the United States Navy to police territorial waters against illegal fishing, but the extent of the area to be covered, the large number of uninhabited islands and reefs and the limitation on the resources available for patrol make this task extremely difficult. There seems no doubt that a great deal of illegal fishing takes place in Micronesian waters. The Mission was informed that a recent survey of Helen's Reef in the southern part of Palau District indicated that tridachna clams had almost been fished out, although an inventory six months earlier had shown there were upwards of 50,000 clams in the area. In the past three years 12 foreign flag vessels have been arrested for violating Micronesian waters. These vessels were released after the payment of fines. We consider that

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a much harsher policy should be adopted, including the imposition of heavy fines, the confiscation of boats and the submission, through the Administering Authority, of energetic protests to the States from which offending vessels come. The responsibility of the Administering Authority to protect Micronesian waters is no less, while the Trusteeship Agreement remains in force, than its responsibility to protect its own waters.

252. The Congress of Micronesia has established a Committee on the Law of the Sea. Micronesia is developing a viewpoint on the major issues which will come before the United Nations Conference on the Law of the Sea at its meeting later this year. The Committee will be able to get assistance from the United States Government in formulating its opinions. We recommend that the Committee consult closely also with neighbouring archipelago States, many of whose problems are similar to those facing Micronesia. We are not aware at this time how Micronesian views will be put to the Conference but consider that those views should certainly be presented.

2. Rights

253. Under Micronesian law, rights in the waters and sea-bed below the high-water mark are vested in the Trust Territory Government. This situation is vigorously contested in Yap and Truk districts where the traditional concept of local ownership is commonly supported. In its report, the Joint Committee has described the way ownership rights are allocated in Japan and the Republic of Korea. It seems to us that as and when district fishery associations and co-operatives become properly organized, it should be possible to work out a mutually agreed system for the allocation of rights and the payment of licence fees on an *ad hoc* basis. The proper basis would seem to be that traditional claimants should get some benefits from development and development prospects should not be hindered by traditional claims.

3. Development of resources

254. Inshore commercial fishing in Micronesia has been based mainly, though not exclusively, on fishing co-operatives. Co-operatives have frequently run into difficulties through management problems and most have also had problems with ice supply and cold storage facilities. The Department of Resources and Development has been helping districts to obtain ice and cold storage plants, and has recently obtained and placed in the districts a number of reefer barges intended to provide interim cold storage facilities. A pilot programme in the construction and use of fishing dories has been initiated in Ponape. Funds allocated for marine resources development in the budget are, however, only at a level of about 1 per cent of the total budget and constitute a relatively small share of the amount allocated to the Department of Resources and Development. The activities of the Marine Resources Division have been affected by the limited funds available, and by the need for fisheries officers to devote considerable attention to conservation questions, particularly the eradication of the Crown of Thorns starfish, as well as to the utilization of resources.

255. In off-shore fisheries, there appears not to have been a great deal of progress. The Van Camp Sea Food Company, discussed in the report of the 1970 Visiting Mission, continues to operate from Palau. A joint venture company has begun operations in Truk, and a proposal is under consideration for a joint venture operation with the Del Monte Corporation in the Marshall Islands. The Mission did not see anywhere any solid Micronesian organizational backing for off-shore fisheries exploitation. The Administration has no plans, so far as the Mission is aware, to set up any government agency for this purpose.

256. The Mission was informed of efforts being made to expand or develop specialized marine resources exploitation, such as trepang and Katsuoboshi, crab and lobster and precious coral, and of the promising work being done in regard to mariculture. We are not able to make any technical judgements about what is being done in these areas, but we have the impression that there is considerable scope for development and that, with proper organizational backing and adequate financial support, their exploitation could contribute significantly to domestic and export production.

257. In response to the report of the Joint Committee on Marine Resources Development referred to above, the Congress of Micronesia passed a number of bills at its most recent session which provide inter alia for the establishment of district fishery associations to service local fishing co-operatives, for the appropriation of funds for these associations and for loans to the co-operatives, for the specification, subject to district approval, of ports of entry for foreign vessels and the provisioning of those vessels and for the control of the profits flowing therefrom by the district fishing authority.

258. We were impressed by the recommendations in the report and by the action which the Congress has taken to implement them. The framework now being created will make possible a considerable expansion of the fishing industry in Micronesia. It will be important that the Administration do whatever is necessary to support the system of fishing authorities and in particular to provide management assistance to the co-operatives. Likewise the provision of adequate cold storage and ice-making facilities is likely to remain a major factor in determining the rate at which the development of fisheries will progress.

259. We were particularly pleased to note that the Joint Committee considered it should become a permanent committee of the Congress, responsible for investigating and reporting on all aspects of the development of marine resources including the regulation of foreign investment in the industry. Given the limited capital resources available to Micronesians, foreign capital can assist actively in the development of fisheries, particularly off-shore fisheries, and its participation need not be to the detriment of Micronesian interests. We believe, however, that the Government should play an active role in this development, both as a regulator and, if this is considered to be the speediest way of promoting growth, as a participant.

E. Mineral resources

260. During its visits, the Mission neither saw nor heard anything to make it doubt the conclusion of the United States Geological Survey - set out in the report of the Administering Authority for 1971 (see T/1735) - that in Micronesia "deposits of all minerals are too small or of inferior grade, and too removed from industrial centres to permit profitable exploitation at the present time". In the light of this opinion, it is not surprising that no mineral exploration has been undertaken during the past three years and that no government funds are at present allocated for it or other research in this sector.

261. The Mission noted, however, that the Congress of Micronesia had adopted a resolution requesting the assistance of the South Pacific Commission in conducting a survey for mineral deposits, including oil, manganese nodules and precious coral in and around the islands of Micronesia. The Mission was informed that surveys for precious coral would be conducted in The Mariana Islands District later this year.

262. We consider that the Trust Territory Government is right not to give any higher priority to this sector at this stage, in view of the limited financial resources available to it and the apparently small prospects. There is, nevertheless, a need to determine more precisely whether or not exploitable mineral deposits exist in Micronesia, particularly on the lagoon beds, and the Government should welcome any international assistance which can be obtained for this purpose.

F. Tourism

263. The Mission was given the following statistics, rounded to the nearest hundred, on tourist entries for the previous four calendar years:

1969	14,700
1970	26,700
1971	33,500
1972	38,800

In every one of those years at least two thirds of the visitors appear to have limited their visit to The Mariana Islands District. Estimated tourist expenditure over this period rose from $646,300 in 1969 to $2,912,400 in 1972. Figures are not available on the proportion of those expenditures estimated to have remained within Micronesia. There are at present a total of 610 hotel rooms in the Territory, and a further 417 - including the Continental Hotel in Saipan - under construction. Projected tourist entries for the next three years are as follows:

1973	62,000
1974	86,000
1975	132,000

The percentage visiting the Marianas only is expected to decline slightly.

264. Tourist commissions have been established in all districts, and appointments to them are made with the advice and consent of the district legislatures. Government policy is that the pace and direction of tourist development in each district should be determined at district level. District legislatures should play the major role in formulating tourist policies. The intention is that at headquarters level, the Administration should assist the districts in various ways, including both planning and financial assistance, and should act to promote tourism to Micronesia as a whole, but should not interfere with determination of policy at the district level. The Mission notes that in its report to the Congress of Micronesia on economic development, the Committee on Resources and Development of the House of Representatives expressed its clear support for this kind of approach. We believe this is the best course for Micronesia to follow. At the same time it should be recognized that policies adopted in one district will have more implications for other districts, as the number of tourists increases. There will therefore be a growing requirement for an exchange of views and for some co-ordination of policy among the districts.

265. It is also relevant to observe that public land is controlled by the territorial Government, not at the district level, and that the use of public land is frequently an issue in the development of tourist policies. If the intention to decentralize the formulation of tourism policies to the district levels is to be meaningful, it must imply a power at district level to obtain (subject to overriding territorial interests) public land for tourist facilities or, and equally important, to block the release of such land for these purposes. It is doubtful whether this principle was applied fully in the case of the hotel currently under construction at Microbeach in Saipan.

266. Tourism is of little value to Micronesia, and, indeed, may have a generally negative effect, unless a substantial proportion of the expenditures generated by the tourists flows into Micronesian hands and the majority of the jobs created are occupied by Micronesians. General foreign investment controls apply, of course, to tourist projects. Formally, only five of the existing 36 hotels and three of the seven hotels under construction, have any non-Micronesian ownership, although it should be added that these eight include most of the principal hotels in the Territory. Similarly, most of the principal tourist-related service enterprises appear to have a substantial proportion of Micronesian ownership, although with these, as with the hotels, there appear to be cases where Micronesian shareholders are fronting for outside interests.

267. Employment at the senior management level in the major hotels and to some degree in other tourist related enterprises is still largely expatriate, although the spread of Micronesians through the industry as a whole appears to be widening.

268. We believe that both at the territorial and district levels, in the legislature and in the executive, continuous attention should be directed towards the following:

(a) The employment status of Micronesians in tourist enterprises and particularly the performance by employers of the obligation implicit in the Act for the Protection of Resident Workers to train residents to take over in the shortest possible time positions occupied by aliens;

(b) The ownership status of hotels and other tourist enterprises, their profitability and the direction of flow of earnings from them. We consider that the regular publication of information of this kind would constitute a useful additional check against unfair exploitation of tourist potential by external interests.

269. It was disappointing to find that hotels in Micronesia frequently serve imported food where local products were or could be available. It is particularly irritating to be unable to obtain fresh tropical fruits, when these grow plentifully in the area, and to be served instead with fruit cocktail imported in cans from a developed economy. We are aware of the difficulties hotel managers have in obtaining assured and regular sources of supply (a fact indicative of the general state of the economy) and of the temptation, when foreign exchange issues do not arise, to resort to reliance on imported goods. We consider, however, that there is a particular obligation on these enterprises to help stimulate economic growth. It may be desirable, as the tourist industry expands, to consider the imposition of increased import duties on selected food-stuffs in order to compel hotel managements to co-operate in this regard.

270. There are other things which might be attended to in connexion with tourist development. One of these, which should be done in any case out of national pride, is to try to improve the appearance of district centres. Most of them leave one with an impression of dilapidation and squalor. Major improvements, as recommended in the master plan studies, can only be carried out over a period of years as funds become available. But improved garbage collection (not requiring the equipment used in a large city but a truck and a few labourers), the removal of abandoned vehicles (which grow in Micronesia almost as profusely as the breadfruit tree, yet which can, with a little attention to anti-pollution control, be used for the construction of artificial reefs) and a general tidying up of homes, stores and public areas can be managed without too much expense to municipalities; these can be done at the cost rather of a little energy and the stimulus of civic pride.

271. We would support other general comments relating to tourism which were made by our predecessors in 1970. In particular, we would affirm that, despite the growing importance of the tourist business in the Micronesian economy and because tourism can, if properly directed, be itself an important stimulus to other sectors of the economy, the territorial authorities (both executive and legislative) must not be diverted from the major task of encouraging viable, permanent and balanced growth in the economy as a whole, particularly in agriculture and fisheries. In this sense, the earnings from tourism should be regarded as a bonus, not as a first objective.

7. Labour

272. Important characteristics of the labour situation in Micronesia are:

(a) An absence of trade unions;

(b) A very limited total potential work force;

(c) A very limited available work force in any one sector;

(d) A high percentage of the work force employed in Government;

(e) A shortage of both managerial and technical skills;

(f) A high level of underemployment in the subsistence sector of the economy;

(g) A considerable disposition among younger people to move to the district centres and seek employment in the Government or in occupations other than in primary industries.

273. Salary and wage levels are generally quite high, when measured against the presently exploitable natural resources of the Territory, but they are not so high in real terms when the high cost of living, owing mainly to the expense of imported consumer goods, is taken into consideration.

274. If Micronesia is to move at all towards increasing self-sufficiency in future, there will be a need for Draconian action in regard both to salary and wage levels, and to the cost of living. We do not feel able to make any recommendations about how to proceed, except to say that policy in this area must be a matter for determination by the Congress of Micronesia, which body must itself set an example to the people.

275. The Division of Labour within the Department of Resources and Development has as its major responsibility the administration of the Protection of Resident Workers Act. Clear rules are laid down for the employment of aliens and these appear to be strictly enforced. The Division does not at present, however, have either the staff or financial capability, or the legal power to require employers of aliens to train Micronesian personnel to take over from them within a specified period of time. We believe that this requirement should be introduced and enforced, at least in specified categories of employment. We recognize that the absolute shortage of labour, together with problems created by traditional and induced attitudes, may at times create difficulties in regard to the enforcement of such a requirement. We consider, however, that its enforcement, combined with a strictly controlled exemption procedure, would have a beneficial effect on the attitude of employers.

276. There is nothing in the laws applicable to the Territory to prohibit the formation of labour organizations, but, so far, none has been formed. Such organizations are best formed from inside initiative, not as a result of pressure from outside. If territory-wide, however, they might have a useful impact on the development of a sense of national unity. From this point of view, the Government and the Congress of Micronesia may have reason to take some interest in their formation additional to that deriving from the role of these organizations in protecting their members' interests.

277. The attention of the Mission was drawn to the conditions relating to the employment on Kwajalein of workers resident in Ebeye and, in particular, the existence of a ceiling on that employment. There is no doubt that many expatriates are employed on Kwajalein in jobs which Micronesians could easily do or could be trained to do. On the other hand, there is a need to try to restrain population growth on Ebeye and the Kwajalein employment ceiling is relevant to this.

278. We were given no information on the long-term future of the Kwajalein Range. It may be that the Administering Authority is not able at this time to formulate any definitive statement on this matter other than in terms of the length of life of the existing lease. The concentration of population on Ebeye, dependent on the continuation of the Range, is such, however, that we wonder whether an attempt should be made to formulate a long-range plan for the development of Kwajalein Atoll which might include measures designed to restrict population growth on Ebeye, through limitations on house occupancy and so on. If measures could be designed that would not impinge on the principles of freedom of movement, it should be possible to amend somewhat the restrictions now imposed on Micronesian employment on Kwajalein and thereby increase the Range's contribution to the development of Micronesia's economy.

H. Transport and communications

279. As a general introduction to this section we feel we can do no better than repeat the observation of the 1970 Visiting Mission that major deficiencies in the system of transport and communications - which still exist in regard to sea and land transportation - gravely hinder economic development and the performance of general government services and present a barrier to the emergence of a real sense of political unity.

1. Marine transport

280. The Mission heard complaints in many places about the inadequacies of the marine transportation system. These most commonly concerned the intradistrict field trip services organized by the Administration - using, in certain instances, private operators - and the interdistrict and external services provided on a franchise basis by Transpacific Lines, Inc. (TRANSPAC). Complainants referred also to the inadequacy of port and warehouse facilities in the main centres and to the need for improvement of channels, both by blasting and marking, and for construction of small pier facilities in some of the outer islands.

281. Complaints relating to the field trip services were most commonly about the frequency of visits and their irregularity. Complaints about the service provided by TRANSPAC concerned the frequency of visits and freight rates.

282. These themes were familiar to the Mission from the reports of its predecessors. It is clear that the people in general continue to view the marine transportation infrastructure in Micronesia as inadequate and not suited to the Territory's needs. It seems evident also that inadequacies in the system

continue to put major constraints on the development of the economy. There is indeed a vicious circle to some degree. Significant economic growth requires more frequent shipping services and improved port and auxiliary facilities. But the development of a more frequent service and better facilities is dependent on growth in agriculture, fisheries and other sectors of the economy if it is to be relatively economic.

283. Field trip schedules are determined at the district level (as it should be) with a district official having the responsibility for ensuring that all necessary cargo is on board before departure and that all interested parties are aware, well in advance, of sailing schedules. The principle problem with the field trip service appears to be the age and condition of the available ships, coupled with design inadequacies in some. The Administration has a programme for the acquisition of eight replacement vessels over the next seven years, construction of a newly designed prototype ship having begun in February 1973. Unfortunately, this programme could be set back by possible cuts in United States budget support for Micronesia over the next few years, while, at the same time, the effect of these cuts on refitting and repair programmes may also result in a sharp reduction in the serviceability of the existing fleet.

284. In view of the importance of fleet replacement - and the savings which would accrue through better service and lower operating costs - the possibility of financing the replacement programme by means of a development loan should be investigated. As a committee of the Congress of Micronesia has noted, the over-all cost of the replacement vessels could probably be substantially reduced if all of the boats could be contracted for at the one time.

285. We do not feel qualified to make any recommendation on whether the monopoly position of TRANSPAC should be maintained or whether Micronesian ports should be opened to other shipping lines. The Nauru Pacific Line now has a service into Majuro, and further negotiations on this service and the possibility of its extension are due to take place later this year. We should note, however, that we received many complaints, particularly in the Caroline Islands, about TRANSPAC service and rates, and the view was expressed on numerous occasions that the TRANSPAC monopoly should be lifted. This was also the subject of a House resolution of the Congress of Micronesia at its most recent session.

286. TRANSPAC has had many difficulties to contend with in the past 18 months largely as a result of the situation which it inherited from the predecessor company. Forty-two per cent of the shares in TRANSPAC are at present held in trust by the Attorney-General of the Territory for eventual sale to citizens of Micronesia. The Administration is seeking the assistance of the Congress of Micronesia in the disposal of these shares, which it would like to distribute widely throughout the Territory. At present, significant shareholdings in the company are held only by the Marianas and Truk districts.

287. It may be necessary to envisage long-term subsidization of an inter-district shipping service as in the case of intra-district services. Should this be so, it may be desirable for the territorial Government to consider acquiring a significant shareholding in TRANSPAC which would enable it to exercise greater direction over the policy and operations of the company.

288. There is a continuing need to improve port facilities and installations in the main centres, particularly in Yap, and in many of the outer islands. The Administration is clearly aware of this need, but has had difficulty in finding the necessary funds. We consider it necessary to observe that these improvements are essential if the economic growth, which the Administering Authority is obligated to promote under the Trusteeship Agreement, is ever to take place.

2. Roads

289. The Mission was informed that in the past year about 50 miles of unpaved road and 30 miles of paved road, mostly over existing unpaved roadway, were added to the Trust Territory road network.

290. The visitor to Micronesia cannot but be struck by two aspects of the road system: first, that most roads are bumpy, dusty and not well maintained; second, that many miles of roads constructed prior to, during or immediately after the Second World War have been allowed to deteriorate so that they are no longer usable. In addition, he cannot miss contrasting the condition of roads in Kwajalein and Guam with those in Micronesia as a whole, or, within Micronesia, those in the Marianas with the roads in other districts.

291. We are aware of the difficulties, particularly those relating to finance, labour and administration, affecting road construction in Micronesia, though conscious also of the fact that road construction in terms of terrain and availability of suitable road bed material is perhaps simpler there than in many larger neighbouring States. Given the existing constraints and particularly that of available funds, the Administration has adopted a suitable system for new road construction. It is important, as the Administration recognizes, that the district legislatures should play a major role in the determination of priorities for road construction. Whether these legislatures or district officials give adequate attention to the implications for economic development involved in establishing these priorities, or to the requirement for continuing road maintenance, is a moot point.

292. We saw little evidence, with some noteworthy exceptions, of any active road construction and maintenance work at the municipal level. With some additional financial help from the district or territory level and with encouragement and advice from the public works, the municipalities could and should play a larger role in developing and maintaining Micronesia's road system.

3. Air transport

293. There is now an adequate and efficient inter-district air service within Micronesia. Boeing 727 jets operated by Air Micronesia service all district centres regularly. Regular intra-district services have been established only in the Mariana Islands District, facilitated by geographical and economic considerations, and between Kwajalein and Majuro (a special case). It appears likely, however, that economic factors may delay the establishment of other regular intra-district routes for many years with the possible exception of a route through Kusaie, where an airfield has yet to be constructed, in Ponape District. We are of the opinion, nevertheless,

that there is merit in the suggestion made by the Committee on Resources and Development of the House of Representatives, in its 1972 report on economic development, that, where possible, old airfields in the outer islands should be reconditioned to facilitate non-scheduled services. At least in certain cases, basic reconditioning might be undertaken as community action projects.

294. Airfields, including terminal buildings, in most district centres need to be improved, major requirements being the construction of longer runways in Yap and Truk districts, the strengthening of the surface at Yap airport, and the development of night flying facilities. We hope that United States federal financing, through the Airways and Airport Improvement Act, will make possible substantial upgrading of the district centre airports within the next few years.

295. Given existing demand, Micronesia appears to be adequately served by present air schedules to Guam, Honolulu, Okinawa and Nauru. A major question, however, is the award of the route between Saipan and Tokyo, now under consideration by the United States Civil Aeronautics Board (CAB). We have no opinion about which specific airline should be awarded this route. We are, however, most strongly of the opinion that a decision on this question should be made only on the basis of what is best for Micronesia as a whole. Micronesia is a Trust Territory, not a United States possession, and considerations of what might be beneficial to a United States airline or to the United States should have relevance to the decision ultimately taken only to the degree that they are relevant to the question of what is beneficial to Micronesia. Decisions taken on any other basis than this would, in our view, be contrary to the obligations of the Administering Authority under the Trusteeship Agreement. For this reason, we consider that the United States Government is under a specific obligation to take note of the recommendation of the Congress of Micronesia on this question. Indeed, it is questionable whether the procedure of CAB is any longer appropriate for the determination of routes into Micronesia. This seems to be a matter on which decisions might now be taken on the basis of recommendations by Micronesian instrumentalities.

296. We also wish to record the receipt of a communication from the Palau Tourist Commission in which that body recommended, inter alia, that Air Micronesia be given a southward route linking Papua New Guinea and Palau. There is a potential north-south traffic flow which at present is largely untapped by Micronisia.

297. The ownership status of Air Micronesia and its training obligations are set out in the 1972 report of the Trusteeship Council. It might be advantageous for Micronesia to acquire a governmental shareholding in the airline. We would suggest that this question be studied by the Congress and the Administration. An international loan, guaranteed by the United States Government, might be sought for this purpose.

298. It was surprising to note that airline passengers travelling from one part of Micronesia to another on the one aircraft which stops at Guam in transit are required to go through tedious immigration and exit procedures in Guam, and are not permitted, even if they wish to do so, to remain aboard their aircraft.

Decisions on procedure at its airport required by the Government of Guam are not the Mission's concern. Inasmuch as these procedures may be humiliating and annoying to citizens of and visitors to Micronesia, however, we contend that the Trust Territory Government should consult with the Government of Guam with a view to persuading the latter to adopt transit arrangements which would not waste the time and try the patience of Micronesian travellers who are not stopping over in Guam.

4. Communications

299. There is now an efficient, interdistrict radio communications system. The Mission was informed that the High Commissioner holds a weekly conference with the six district administrators by this means. In addition, all islands having permanent populations have two-way radio communication with district centres.

5. Postal service

300. The postal system in Micronesia is operated by the United States Post Office and Micronesian postal addresses come within the United States zip code classification. Although the Mission was given no information on the staffing and management of the post office structure, individual post offices in the districts appeared to be largely manned by Micronesian personnel and postal services seemed to be handled efficiently.

301. Having no information on postal revenue and expenditures within Micronesia, we feel unable to formulate any firm opinions on post office management. We wish, however, to make certain observations.

302. First, all post offices are clearly marked "United States Post Office". Micronesia is not a United States Territory. Even if, for sound practical and financial reasons, it is desirable to continue postal services there as a part of the United States postal system and if this is acceptable to the Micronesians, we question whether it is desirable or necessary to label post offices in Micronesia in this way.

303. Second, is it really necessary at this time to continue the postal service as a part of the United States system? Could not the existing staff and facilities be transferred to the Micronesian administration while maintaining the existing postal rate structure? We recognize that any judgement on this matter must depend upon considerations of cost and personnel factors. We would recommend, however, that the Administration and the Congress of Micronesia give some attention to the question.

304. Third, we feel that consideration should be given to the issuance of a Micronesian stamp series, whether or not the postal administration remains under the control of the United States Post Office. The possibilities for producing stamp designs which will be attractive to collectors and tourists are clearly very large. One has only to recall the shell, animal and artefact series issued elsewhere in the Pacific area or to consider the possibility of

series on the underwater ships in Truk lagoon, on stone money, on stick charts and so on. Stamp issues could become a useful source of revenue to Micronesia and we believe that it is time for this to be given serious attention.

I. Industry, commerce and trade

305. It is generally agreed that marine resources, agriculture and tourism are the three sectors where significant economic growth is feasible. Genuine development in any or all of these sectors would have a stimulating effect on industry and commerce in Micronesia.

306. It is not to be expected that any large-scale industrial development would become feasible in the foreseeable future. Market size, geographical dispersion, lack of natural resources and labour, land tenure problems, etc. make this improbable. Nevertheless, there is scope for the development of small industries directed towards import substitution and some (for example, coconut products, processed pepper, breadfruit chips, canned and dried fish) directed towards export markets.

307. In the construction field, preference is given to Micronesian firms in regard to small local contracts. These firms are assisted through various measures, including the waiver of performance and payment bonds and the provision of technical and administrative assistance. Bidding for larger contracts is still dominated by outside firms and this is not likely to change. We consider it important, however, that a significant training obligation be built into all such contracts, even though its inclusion may have some impact on costs and target dates. The value of such training in terms of long-term growth, particularly training at the management and professional levels and training in maintenance and not simply training in machine operation, usually far outweighs the extra cost to the Government. We believe that this principle should be applied in contract work on Kwajalein, where there is considerable scope for extending practical training to Micronesians, as well as in contracts elsewhere in the Territory.

308. Progress in the development of marine resources and tourism should make possible the expansion and improvement of boat-building in Micronesia. It might be worth investigating more closely than appears to have been done hitherto the feasibility of constructing ferro-concrete boats in Micronesia. In this, as in other sectors, it is important that the Government give continuing management assistance to enterprises, including such matters as proper costing procedures. It is important, too, that elected representatives at all levels should recognize the need for this, and the need for the proper and businesslike management of such enterprises if there is to be economic progress for the Territory as a whole.

309. The handicraft industry needs to be developed in conjunction with the growth of tourism and the improvement of aviation services. The Mission was informed that the value of handicraft sales during the 1972 fiscal year was approximately $170,400. These sales could undoubtedly be greatly increased through an

improvement in marketing arrangements and the abolition of the United States tariff. We consider that the Administration should try to establish a territory-wide handicraft producers' association which could serve as a focus for the development of quality controls and the improvement of the marketing system. Such an association could assist greatly in the handling of export orders, including proper invoicing and packaging, and would, for example, facilitate the display and sale of Trust Territory handicrafts at the United Nations Gift Centre in New York.

310. The Department of Resources and Development has conducted a number of studies on the technical feasibility and market potential of possible projects in the industrial and commercial sectors. The Department also assists small entrepreneurs to set up and manage their businesses. Although it is encouraging that the Administration is attempting to stimulate the establishment of business enterprises, it is clear also that the staff and financial resources available to the Department for this purpose are very limited and that, as it is now organized, it is not able to pursue the kind of vigorous and active policy which is necessary to develop entrepreneurs in the commercial and industrial fields.

311. We recalled the work of Mr. Manohar Nadkarni, a training expert from the United Nations Industrial Development Organization (UNIDO), in advising the Government of Papua New Guinea on this subject some three years ago. It would be beneficial to Micronesia if it could obtain similar expert assistance and we recommend to the Administering Authority that an approach be made to UNIDO for this purpose.

312. From the point of view of balance of trade the position of Micronesia continues to be appalling. As the Committee on Resources and Development of the House of Representatives noted in its 1972 report, imports "are at much higher levels than could possibly be maintained by an economy based solely on Micronesian resources". As the Territory operates within the United States dollar area, there has been no real constraint upon the Government to develop policies to reduce the growing imbalance of trade. Yet, clearly, if Micronesia is to have any real options in the future about the kind of relationships which it might wish to have with the rest of the world, a serious effort must be made to reduce the rate of growth of imports and to develop new exports. The Administering Authority has a specific obligation under article 6.2 of the Trusteeship Agreement to promote such an effort. Although the territorial Government is evidently trying to develop export markets and to promote enterprises which can produce goods now being imported, we were not given any reason to believe that the Administering Authority views this task as a matter of high priority. In particular we could not but note the paradox implicit in the fact that the Administering Authority continues to assert its preferential position in regard to investment in the Territory - through its interpretation of article 8.1 of the Trusteeship Agreement - and, at the same time, continues to deny the extension to the Territory of the same preferential duty-free status accorded to United States Territories. This seems to us like having a cake and eating it.

313. As the future status negotiations move ahead, it is late in the day for change. Nevertheless, and having in mind the undertaking given by the Secretary

of the Interior some four years ago, we consider that the Administering Authority should take definite action now to extend a preferential status to Micronesia and should guarantee the continuation of that status for a number of years (sufficient to have an impact on the growth of export-oriented industries there) irrespective of the choices Micronesia might make about its future status.

314. In this connexion, we took note of a bill enacted by the Congress of Micronesia at its most recent session allowing a refund of import taxes paid on goods imported to the Territory and subsequently exported.

315. Apart from the special considerations which apply to the United States market, it seems clear that there is good potential for the export of Micronesian agricultural and marine products to neighbouring countries. The limiting factors lie rather in the development of regular and growing production within Micronesia, the improvement of transportation and marketing arrangements and the overcoming of such difficulties as quarantine controls. While Micronesia should continue to explore overseas market possibilities and should make its potential better known through trade missions, through the activities of United States representatives overseas, etc. the more important need (in terms of improvement in the balance of trade) is to concentrate on the development of production at home with import substitution as the primary objective.

J. Planning and financing development

1. Planning machinery

316. A census is to be conducted throughout the Trust Territory later this year (probably September/October) and a revised census form is being prepared. The information obtained as a result of the census should provide a good basis for future planning.

317. A Territorial Planning Co-ordinating Committee was set up early in 1972. The Mission did not obtain a clear picture of the manner in which this Committee was operating. We had the impression, however, that the Co-ordination of planning between Administration headquarters and the districts left something to be desired. In a real sense, planning begins at the district level and there is a fundamental need to co-ordinate at the initial stage.

318. In each district there are economic development officers, district planners and a district economic development board. In some districts there appeared to be a disposition to view the duties of the economic development officers as primarily the processing of loan applications to the Development Fund and occasionally with tourist promotion instead of with economic development and planning as a whole. Likewise, district planners seemed on occasion to have to take on ad hoc duties to the detriment of their general planning role.

319. We have no doubt that a serious effort has been made in the past few years to improve the planning and co-ordination of economic programmes within the Administration. Nevertheless, it is clear not only from our observations but

also from the statements of departmental spokesmen during congressional joint committee budget hearings that there are serious gaps between intention and performance, that there is still too little effective liaison and co-ordination between the districts and headquarters, and within headquarters between various departments.

320. We feel that it is to a degree the responsibility of the Congress of Micronesia to oversee the development of planning and co-ordination within the Administration. As is noted in the introduction to the present chapter, the Congress has recently become more and more involved in economic programming. This development is facilitated by the detailed budget hearings conducted by the Joint Committee on Programme and Budget Planning. Congress had before it at its last session a number of proposals for the establishment of development planning bodies, although none of these was adopted. Whether or not any new machinery would facilitate planning, there is a need for the Congress to attempt to formulate general guidelines for development priorities. With a clear statement of priorities, at least some of the reasons for the failure of departments to co-ordinate activities would disappear.

2. Public finance

(a) United States appropriations

321. Funds available to the Trust Territory Government for its expenditure are derived from three sources at present: the appropriation of the United States Congress, other United States grant programmes and local revenue. Of approximately $74 million provided for the fiscal year 1973, the appropriation of the United States Congress constitutes about 81 per cent and other United States grants account for about 13 per cent. Local revenue thus provides only some 6 per cent of total expenditure.

322. The Trust Territory Government has no legal authority to obtain loan funds from institutional or private sources in Micronesia, the United States or elsewhere. Nor has the Administering Authority sought to obtain development credits for Micronesia from international development institutions. A minor amount of development assistance has been obtained from the United Nations system through the provision of fellowships.

323. Over the past few years, the Administering Authority has provided to Micronesia what, measured on a per capita basis and compared with the earlier years of its stewardship, must be regarded as very substantial financial support. Legislation has not yet been proposed to the United States Congress to authorize appropriations to the Trust Territory for the fiscal year 1974 and subsequent years. We understand, however, that the amounts available for 1974 and 1975 are likely to be significantly less than the current appropriation. In fact, on the basis of the preliminary figure for 1975, the Administration and the Congress of Micronesia are assuming that most of the items relating to the capital improvements programme for that year will have to be deleted.

324. Many Micronesians expressed themselves to the Mission about this likely reduction in the level of the United States appropriation. Recognizing the need ultimately to become less dependent on United States financing, and aware of the problem created by the Administration's failure to spend all capital improvement funds in the past years, they generally argued that, at this time, the Administering Authority should maintain its support, at least at the existing level, because of its obligation to promote development under the Trusteeship Agreement.

325. Conscious of the words of article 6.2 of that Agreement:

> "6. In discharging its obligations under Article 76 b of the Charter, the Administering Authority shall:
>
> "2. Promote the economic advancement and self-sufficiency of the inhabitants, and to this end shall regulate the use of natural resources; encourage the development of fisheries, agriculture, and industries; protect the inhabitants against the loss of their lands and resources; and improve the means of transportation and communication;"

and believing that the progress made so far by the Administering Authority in discharge of its main obligation is disappointingly slight, we are unable, nevertheless, to say that a given level of external assistance should be continued. We believe that there is a great need for more active government policies in several sectors of the economy and have no doubt that staff cuts in certain areas and a massive reduction of the capital improvement programme could seriously delay economic development. On the other hand, if the Micronesians, through their parliamentary representatives, are themselves now brought to determine how best to spend the available funds and where to make necessary retrenchments, it may be that such surgical measures could do something to promote movement in the direction of an economy better suited to the Territory than that which exists at present.

326. It is, moreover, impossible to ignore the fact that decisions on such questions must now, to some degree, be influenced by the negotiations for a new political status. Whatever the result of these negotiations, what Micronesia now needs are assurances that the level of United States financial support will be held at least to a certain minimum for a reasonable length of time. Such assurances would enable the Congress of Micronesia to embark on a serious reconsideration of the structure of the economy and measures for its development. One question which will have to be given serious attention, if the total level of revenue available to the Administration is likely to fall sharply, is the extent to which the Congress can afford to maintain expenditures in the social and educational spheres without achieving a sounder economy on which to base them.

(b) Local revenue

327. A major financial objective should be to increase the rate of growth of local revenue. A very substantial increase in the percentage of government expenditures financed from local revenue will only be feasible when there has been

real progress in the economy. Nevertheless, the introduction of income and business receipts taxes in 1971 did produce considerable additions to revenue, and further measures to increase local revenue should be studied. Bills were, in fact, introduced into the Congress of Micronesia at its most recent session aimed, inter alia, at establishing a graduated tax scale and increased rates, but these bills were not enacted. The Congress should give further attention to this matter at a later session. Having in mind that revenue from import taxes, much of which comes from food-stuffs, beverages, cigarettes and tobacco, amounted to only $761,000 in the fiscal year 1972, we suggest also that consideration be given to raising the import duties on some of these items both for revenue purposes and to encourage import substitution in food-stuffs.

(c) Development finance for the private sector

328. Changes in the operation of the Economic Development Loan Fund referred to in the report of the 1970 Visiting Mission were subsequently introduced. Although we heard many complaints about the operation of the Fund, mainly having to do with delays in taking decisions, the need to refer decisions from the districts to headquarters and allegations of favouritism, we had the impression that the Fund was now operating reasonably well. Applications are processed by district boards and district administrators and may be approved at this level if under $5,000 (to be raised to $10,000). Appropriate eligibility criteria are applied in the consideration of applications and where loans have been approved, a watch is maintained, at least in theory, over the disbursement of funds and the operation of enterprises. The percentage of delinquencies appears to have fallen and the loan fund ceiling is now establishing at $5 million, although some $3 million of this has still to be appropriated by the United States Congress. Direct and guaranteed loans approved in the past year amounted to just over $1 million.

329. Two other special loan funds, the Marine Resources Development Loan Fund ($500,000) and the Production Development Loan Fund ($600,000) have been created by the Congress of Micronesia and will be operated in much the same way as the Economic Development Loan Fund.

330. There appears to be some variation in the effectiveness of operation and utilization of these funds among the districts. We consider that the Administration should be more active in disseminating information about the funds and encouraging potential entrepreneurs to make use of them. There is also need to exercise a continuous and careful supervision of the use to which loans are put and of the fulfilment of repayment obligations.

331. Last year, the Congress of Micronesia enacted legislation setting up a Board of Directors to study the feasibility of establishing a bank of Micronesia. The Board has presented an interim report and has been given an extension of time; it is now required to submit a final report by 1 January 1974. The consultants employed by the Board are of the opinion that what is most needed and what the bank should be, initially at least, is a development bank offering long-term loans and providing a framework for the extension of technical assistance to loan recipients. The consultants informed the Mission that, although they had not

given detailed attention to the question of capital requirements, pending a decision on whether the bank should be primarily a development or a commercial bank, they considered that the several existing loan funds could be consolidated within the bank with additional financing through grants, assistance from international development banks and possibly loan or equity support from the commercial sector.

332. We share the view of the consultants that what is required in the present circumstances is a development bank and that existing loan funds might well be consolidated in the bank, where, hopefully, loan management would be simplified.

(d) International assistance

333. The Administering Authority submitted an application for Micronesia to become an associate member of the Economic Commission for Asia and the Far East (ECAFE) to its twenty-ninth session. This application has been endorsed by ECAFE, and we welcome this development which we regard as overdue. We recommend that prompt action be taken after membership is achieved to obtain membership for Micronesia in the Asian Development Bank. We hope that the Administering Authority will consider meeting or guaranteeing the necessary capital subscription for such membership.

334. At the thirty-ninth session of the Trusteeship Council the representative of the Administering Authority informed the Council that agreement had been reached between the Administering Authority and UNDP for the UNDP Regional Representative in Apia to be assigned responsibility for handling requests for UNDP assistance from Micronesia. Council members understood that formal arrangements would thereafter be completed between the Administering Authority and UNDP for the establishment of a programme of UNDP assistance. While the Mission was in Micronesia, it learned that no progress had been made in concluding a basic agreement between UNDP and the Administering Authority. We cannot understand the reason for delay; we believe that the conclusion of such an agreement, which would provide the necessary framework for the development of a UNDP country programme, to be a matter of urgency; and we call on the Administering Authority and UNDP to take prompt action in this regard.

335. Conclusion of an agreement with UNDP will facilitate the extension of assistance from other United Nations agencies to Micronesia. We have noted above the probable value of seeking expert assistance in the field of small-scale business promotion from UNIDO. We recommend also exploration of the possibility of obtaining technical advice in certain areas from the Food and Agriculture Organization of the United Nations (FAO).

336. Unless and until Micronesia assumes a new political status, it is perhaps premature to consider whether other States will contemplate extending bilateral foreign aid to Micronesia. However, there is no reason why Micronesians, having private relationships with representatives of other States, should not begin to explore possibilities.

3. Private finance

337. The credit unions (now numbering 45, with total assets of $2.8 million, over $3 million in loans in 1971 and $12.3 million in loans since the commencement of the credit union movement) have a potentially useful role to play in economic development. As the 1970 Mission noted, however, and as continues to be the case, their loans have been applied only in exceptional cases to productive investments.

338. Other private savings in Micronesia are growing but very slowly. Co-operatives have in certain cases been important sources of investment funds. The Administration should consider what, if any, other institutional measures might encourage private saving and the channelling of savings into productive enterprise.

339. The problem of the availability of local capital resources needs to be considered together with the question of foreign investment, for the latter, if it is to be of benefit to the Micronesian people, must be made only in conjunction with substantial local shareholdings whether the latter are from private or public sources.

4. Foreign investment

340. Some few individuals expressed doubts to the Mission about foreign investment in principle. However, the more common opinion was that foreign investment was desirable and would greatly assist the growth of the Micronesian economy. All persons expressing this opinion added, however, that foreign investment should be closely controlled, both through district and territorial measures, to ensure that Micronesian interests were protected and that the main part of the benefits derived from the exploitation of Micronesia's resources should go to Micronesia.

341. The report of the 1970 Visiting Mission describes the provisions of the Foreign Investors Business Permit Act which governs outside investment in Micronesia. The Act appears to have worked reasonably well. The criteria laid down in the Act are, in principle, appropriate for the protection of Micronesian interests and the interpretations of, and amendments to, the Act since its enactment into law have made it a relatively successful measure for controlling foreign investment for the purpose of promoting both economic development and Micronesian advantage.

342. Residual problems are the relative effectiveness of district investment boards, where in some cases there appears to be a need for the Administration to provide better qualified assistance, and, what is a more fundamental problem, the means of developing Micronesian participation in joint enterprises, taking into account local attitudes and the shortage of capital resources. The Administration should play a more active role in this matter, both, as suggested earlier, by exploring ways and means of encouraging private savings and investment, and by taking up shareholdings either as permanent public investments or for later

disposal to Micronesian investors. We were informed that legislative action would be required to permit the Administration to acquire shares in such enterprises. We recommend that such legislation be enacted.

343. The main issue regarding foreign investment which the Mission had to consider was that of investment from non-United States sources. Foreign investment in Micronesia has so far been restricted to investment by United States investors by executive decision of the Administering Authority. The latter has based itself on its own interpretation of article 8.1 of the Trusteeship Agreement which reads as follows:

> "In discharging its obligations under Article 76 d of the Charter, as defined by Article 83 (2) of the Charter, the Administering Authority, subject to the requirements of security, and the obligation to promote the advancement of the inhabitants, shall accord to nationals of each Member of the United Nations and to companies and associations organized in conformity with the laws of such Member, treatment in the Trust Territory no less favourable than that accorded therein to nationals, companies and associations of any other United Nation except the Administering Authority."

344. In 1971, the Senate of the Congress of Micronesia sought some elaboration of the Administering Authority's attitude to that article. In responding to the Senate, the High Commissioner said that he had been advised by the United States State Department in the following terms:

> "Exceptions to requirements of uniform treatment permitted on basis of United States Government security requirements and obligations of use to promote advancement of inhabitants. The Trust Agreement binds both the United States and Micronesians, the United States being responsible for the latter, while the Trust Agreement remains in force. As a general rule, therefore, the United States Government must permit all nationals, companies or associations referred to in Article 8 (1) to trade or invest in the Trust Territory of the Pacific Islands on equal terms if permitted. The United States Government therefore has uniformly limited commercial and investment activities to Micronesian and American companies and individuals, relying on them with federal assistance and incentives to encourage economic development of Micronesia."

345. We interpret this statement as meaning that the Administering Authority, being then unprepared to accept in Micronesia investment from all foreign sources on equal terms, recognized a consequential obligation on itself to ensure that economic development progress as a result of local and United States private investment and Administering Authority support would at least match the development prospects which would have emerged if Micronesia were open to foreign investment from any source.

346. This obligation has clearly not been fulfilled. We have no doubt, leaving aside for the moment the question of the protection of Micronesian interests, that economic development in Micronesia would have gone ahead more rapidly if

article 8.1 had not been interpreted by the Administering Authority in the way in which it has been interpreted.

347. We believe that the terms of article 8.1 do not in themselves prevent the United States Government from permitting non-United States investment in Micronesia. Article 8.1 simply requires the Administering Authority to give all States equally favourable treatment but with the discretion, if it should wish to exercise it, to accord itself more favourable treatment than any. Article 8.1 should also be interpreted in the light of Article 76 d of the Charter, which prescribes that one of the basic objectives of the Trusteeship System is "to ensure equal treatment in social, economic and commercial matters for all Members of the United Nations and their nationals".

348. It is our understanding that similar restrictions have not been imposed in other Trust Territories. We found during our visit to Micronesia, that there was overwhelming support in all districts from legislatures, officials and the public for changing the interpretation of article 8.1 to permit investment from non-United States sources.

349. There may have been good reasons in the past for the Administering Authority to fear that the opening of Micronesia to foreign investment from any source would result in the exploitation of Micronesian resources by foreigners. With the adoption of the Foreign Investors Act, referred to above, and the establishment of a system of reasonably effective controls, this fear is no longer valid. The present position of the Administering Authority simply gives special preference to United States investors without conferring concomitant advantages on Micronesia. At the same time, the protection argument has long since been demolished by the clear evidence of non-United States investment in Micronesia behind Micronesian fronts with the consequential effects of evading the proper application of the Foreign Investors Act, a loss of tax revenue and so on.

350. We are strongly of the opinion that the Administering Authority should now, and promptly, revise its previous interpretation of article 8.1 of the Trusteeship Agreement and should for the future delegate to the established structure of investment acceptance decisions in Micronesia power to accept or refuse investments from all sources, including non-United States nationals.

351. At the same time, we would urge the Administration to review and keep under close scrutiny the operations of the Foreign Investors Act to ensure that all permits issued and all operations conducted under those permits ensure that a reasonable share of the benefits of the investment accrue to the Micronesian people.

K. Conclusion

352. There have been many studies conducted of Micronesian economic needs, both general and particular. We have no wish to add, through our own report, or through our recommendations, to the many other unread papers growing yellow on dusty shelves.

353. However, we have a sense of special circumstances at this time. The time is special because of the negotiation of a new political status and the bearing that the state of the economy has upon that status. There is a need, having in mind the options for political status, to rethink the ways in which the Micronesian economy should and could be developed.

354. We believe, therefore, that the Administering Authority should commission a new full review of the economy of the Territory, a review which would, of course, take account of but go beyond the reports prepared for the Trust Territory between 1966 and 1969. We believe this review should be conducted on the basis of the probable results of the future status negotiations between Micronesia and the Administering Authority. It should be based on priorities for development formulated by the Micronesians themselves and on assumptions about financial support which would take into account the potentialities for obtaining loans and possible foreign assistance, as well as the continuation of a subsidy from the Administering Authority.

355. Having in mind the desirability of establishing closer links between the Trust Territory and international institutions in regard to the economic development of the islands, and with the hope that Micronesian membership in ECAFE and the Asian Development Bank will soon be achieved and a basic agreement with UNDP concluded, we recommend that the Administering Authority invite appropriate international bodies to carry out a full economic survey of Micronesia and to propose a new, balanced and realistic development plan. If this proposal is acceptable, we should like to suggest that consideration be given to involving the United Nations Development Advisory Team established in Bangkok under the auspices of ECAFE for work in the South Pacific, together with such experts from UNDP and the Asian Development Bank as might be necessary to make up a team competent to examine and report on all aspects of economic development in Micronesia.

CHAPTER IV

SOCIAL ADVANCEMENT

A. Medical and health services

1. General

356. Since 1970, there have been increases in the number of medical staff of the territorial Department of Health Services. The figures of the main categories of staff are as follows (1970 figures in parentheses): 13 medical doctors (11); 39 medical officers (35); 181 graduate nurses including registered nurses (180); 227 practical nurses (213); 203 health assistants (141). All 13 medical doctors are expatriates (2 Micronesians have completed courses for a medical degree in the United States and are serving their internship training before returning to the Territory next year). Thirty-eight out of the 39 medical officers are Micronesians (all Micronesians in 1970) as are all the health assistants. Ninety-six per cent of the graduate and practical nurses are Micronesians compared with 75 per cent in 1970. The doctor/patient ratio is 1:2,000; for health assistants, the ratio is 1:500, and for all categories of nurses it is 1:250. There are 18 dental officers (18 in 1970) all of whom are Micronesians and who, like the medical officers, are graduates of the Fiji School of Medicine. In 1970, a Micronesian took over the post of Director of the Department of Health Services.

357. There are approximately 100 students studying outside the Trust Territory in medical and paramedical fields. A number of the medical and dental officers are following post-graduate studies abroad under the auspices of the World Health Organization (WHO). The School of Nursing in Saipan, which now has an enrolment capacity of 80 students a year, offers a two-and-a-half-year training programme to enable nursing graduates to obtain the internationally recognized Associate of Science degree in nursing. The School of X-Ray Technologists and Medical Repair also offers a training programme.

358. Since 1966, appropriations by the Administering Authority for the health services have increased from $2.1 million to $6.0 million in 1972. This latter figure represents 10 per cent of the Trust Territory budget and it is estimated that by 1975, up to 15 per cent of the budget will be for health.

359. Despite the increased expenditure on health, standards, except in some of the district centres, are too low and there is a marked and all too obvious contrast between the facilities available in the main population centres and those existing in the more remote areas. The undersigned feel that in addition to continuing its efforts to raise general health standards, and subject to the detailed recommendations given in the following paragraphs, the Administration should concentrate on bringing the type of medical care now available in some of the district centres within the easy reach of all inhabitants of the Territory.

We note from the statements of the Administration that this is their intention, but feel that there is a long way to go before this goal will be achieved.

360. While in Truk, the Mission saw the newly initiated MEDEX programme in operation. The programme has as its primary objective the training of what are termed physician's assistants through the up-grading of graduate nurses and health assistants currently serving in the Territory. It was envisaged that MEDEX graduates would be able to relieve physicians in the hospitals of routine medical care in the hospitals, thereby giving the physicians more time to deal with acutely ill patients.

361. Despite the increase in medical manpower over the past few years, there is still a shortage of qualified physicians and other key personnel. The health service has experienced great difficulty in recruiting suitably educated young Micronesians who wish to follow a medical career and it has also not been easy to recruit expatriate doctors, especially surgeons and other specialists, to serve in the Trust Territory.

362. We were impressed with the energy and the qualities of the Micronesian medical officers and we also heard good reports of the nurses graduating from the Saipan School of Nursing.

363. Generally speaking, we were not so impressed with the standard of those health assistants we saw working in the field. Many had received no formal training in medical schools. Although all health aides are scheduled to receive in-service training from time to time, many of them appeared to have only a rudimentary idea of basic medical practices, and the standard of hygiene observed at some dispensaries was deplorable, to say the least. We accordingly welcome the MEDEX programme and hope that funds can be found to continue its operation well beyond the two years envisaged at present. We also consider that, as has already been tentatively outlined for the Marshalls and for Truk, the primary object of the MEDEX programme should not be to raise the standard of physicians' assistants in the district hospitals but to improve the over-all medical competence of health assistance and health care in general in the outlying areas.

364. We share the concern of the Department of Heath Services about the difficulty of encouraging young Micronesians to take up medical careers. One or two districts have encouraged high school students to work in the hospitals on a part-time basis, and this example could profitably be followed in other areas. The manpower shortage will be particularly acute when the new teaching and referral hospital at Ponape has been completed. Difficulty has already been experienced in staffing the new hospital at Truk.

2. Health facilities

(a) Hospitals

365. Under the present hospital rebuilding programme, the subdistrict hospitals at Ebeye and Kusaie should be completed within the next 12 months. Work is also

scheduled to start on the long-planned Ponape teaching and referral hospital. There are currently 526 hospital beds in the Trust Territory with an occupancy rate of 66 per cent and a bed/population ratio of 1:200. With the completion of the Ponape hospital, the number of hospital beds is expected to reach 600 by 1975. Difficult and complicated cases which cannot be handled in the Trust Territory hospitals are referred to Guam Naval Hospital or to Honolulu. Some referrals are now being made within the Territory to the new hospital at Truk, but referrals outside the Territory are costing the Administration $800,000 annually. The Mission was told that the teaching and referral hospital to be built at Ponape will be able to handle all referrals.

366. Approximately 80,000 people live within relatively easy reach of hospitals. The remaining 27,000 live in the outer islands and receive medical or public health services by means of field service ships or aircraft which visit the islands. Special trips are made in case of an emergency. The Mission was told that the district health centres have obtained additional vehicles and boats in order to increase the frequency of visits to the neighbouring islands and outlying areas.

367. The Mission was told that remodelling and repainting were scheduled for the district hospitals at Koror, Majuro and Saipan. An additional 20-bed pediatric ward in Palau is expected to be completed by the end of the fiscal year 1973. A new district hospital has long been scheduled for Yap, but it is now uncertain whether a new one will be built or the existing buildings remodelled.

368. The hope expressed by the 1970 Visiting Mission that the hospital construction plan would be implemented according to schedule has not been realized. This is particularly evident with regard to the proposed hospital at Ponape whose site was cleared in 1970; no construction work has been started to date. The reconstruction of Kusaie and Ebeye have also fallen well behind schedule, and it is disappointing that funds have not yet been allocated for the reconstruction of Yap, exactly the situation prevailing in 1970. The severe cutbacks in the Territory's capital improvement programme will severely hamper the hospital building programme.

369. In the more recently built hospitals, conditions appeared generally adequate to meet present needs. The conditions in the older hospitals, however, such as those at Yap, Ponape, Kusaie and, to a lesser extent, Majuro could well impede their proper functioning, although the doctors were doing their best to provide adequate care. An example of such difficulties was the outbreak of post-operational infection caused apparently by a faulty air circulation system at Ponape hospital and the generally primitive level of laboratory facilities in most districts, with the notable exception of Truk. Anything except the most simple chemical analysis had either to be done at Truk or sent outside the Territory to Honolulu or Guam. The standard of general hygiene and cleanliness also varied from district to district but the Mission was assured that, except in Ponape, infection, post-operational or otherwise, was not a problem.

(b) Dispensaries

370. Many of the 154 dispensaries need replacement. The Mission was told that some of the dispensaries would be replaced during the next two years. The Mission was also told that most of the dispensaries could, when necessary, communicate with the district centres by radio either to ask for instructions or to seek evacuation of the patient to hospital by aircraft or special vessel.

371. The Mission observed that many of the dispensaries were generally in substandard conditions: unsuitable buildings, inadequately equipped and with medical and surgical materials in short supply. It was told that there had been some improvement in the provision of medical and surgical supplies from that noted by the 1970 Visiting Mission. As pointed out above, the Mission was concerned about the standard of hygience at many of the dispensaries it visited.

372. We hope that, despite the enforced cutback in the capital improvement programme, funds will be found to replace the substandard dispensaries. Comments have been made elsewhere on the irregular nature of the field service trips which made the servicing and supervising of health services away from the district centre a haphazard affair. This is an additional reason for allocating high priority not only to the rebuilding of substandard dispensaries, especially in the outlying areas, but also to the construction of new units in those places where a significant section of the population has no direct access to medical facilities.

3. Maternal and child health

373. Ante-natal and post-natal care are available at the clinics of the six district hospitals. Field health assistants and nurses conduct clinics on a less regular basis on the outer islands and refer cases with complications to the district hospital for further care. According to figures provided by the Administration, the proportion of registered live births in hospitals has increased from 47 per cent in 1961 to 68 per cent in 1971. Physicians attended about 25 per cent of all registered births in 1971 and graduate nurses attended approximately 26 per cent. Low birth weights, pre-maturity and neo-natal deaths account for a large percentage of deaths at birth. The infant mortality rate was 38 per thousand live births in 1971 (21.2 per thousand in the United States) against a rate of 40.1 per thousand live births in 1960.

374. We note that modern medical care is generally more accepted by Micronesians than in the past, and more mothers apparently prefer hospitalization to home attendance by traditional midwives at the time of birth. Difficulties of transportation, however, prevent many mothers from attending a district hospital for ante-natal or post-natal care, and pregnant women are often unable to get to the hospital in time for the birth of their children. This problem could be overcome by improvements in transportation and by the general raising of medical standards in out-district dispensaries. The infant death-rate is still too high and there is an urgent need for a higher standard of pediatric care (including more pediatricians) throughout the Territory.

4. Public health

375. With the advent of urbanization in the form of rapidly growing district centres and the movement to a cash economy there is an increasing incidence of malnutrition in infants and preschool children. Anaemia, parasitism and diarrhoea are the major causes of malnutrition. Filariasis, tuberculosis and amoebiasis are amongst the major serious diseases in the Territory. Gonorrhoeal infections are increasing: 620 cases were reported in 1972, compared with 353 the previous year. Sanitary standards are still generally low and there are no modern sewage systems outside the district centres. Although there is a regular immunization programme and follow-up for school-age children, the Administration has failed to reach its goal of complete immunization of all preschool children, especially in the outlying areas.

376. One of the major tasks of the Administration should be to overcome the very low level of general health knowledge amongst the population, especially in regard to personal hygiene and environmental sanitation. Public health education appears to be at a very rudimentary stage and we recommend that more effort be expended on health propoganda, with a substantial increase in the use of radio broadcasts for this purpose. Greater emphasis should also be placed on the teaching of basic hygiene in the schools. We have noted the efforts of the Department of Health Services to improve environmental sanitation and to ensure that sanitary regulations are being enforced in bakeries, slaughterhouses and restaurants. Nevertheless, much needs to be done in this area and a continued effort should be made to improve water supplies and community sanitation. The fact that amoebiasis is still second in incidence amongst reportable diseases demonstrates the inadequacy of the Territory's present sanitary standards. Finally, there is a need for consumer education. In view of the fact that the bulk of the diet in district centres consists of imported foods, legislation to introduce standards and controls is necessary. There is a need to develop a national food and nutrition policy. We note that this is also the view of the Department of Health and Services.

B. Population growth and birth control

377. The population of Micronesia has doubled over a period of 22 years, from 54,000 in 1950 to more than 107,000 in 1971. The great bulk of the population is under 44 years of age and the percentage of the child-bearing population is growing rapidly. According to the territorial health authorities, the 1971 figure for the natural increase of population was 2.85, compared with 1 per cent in the United States. In those districts where the growth rate is particularly high, such as Truk, concern was expressed to the Mission about population trends. It is probable that the decreasing death-rate (5.4 in 1970 compared with 13.1 in 1950), combined with the high birth-rate (constant at 33 per thousand since 1950), and the fact that a large part of the population is now moving into child-bearing age will lead to a dramatic increase in population during the next few years. Although not an urgent problem, it soon could be, and we have accordingly noted with interest the introduction of family planning services. It was explained to us that this programme is a very delicate subject in the Territory because

of the cultural and social traditions. We were also told that the objections which were very strongly voiced when the programme was introduced five years ago are now being overcome.

C. Community development

378. Three organizations are involved in community development in the Trust Territory: the Community Development Office, the community action agencies and the civic action teams (the Seabees).

379. The Seabees, in partnership with the local authorities, undertake various kinds of construction including roads, classrooms, dispensaries and water storage facilities. A major role of the civic action teams is on-the-job training of Micronesians. There are currently seven civic action teams in the six districts of the Trust Territory.

380. The activities of the Community Development Office in respect of young people, women's interests and low-cost housing are described elsewhere in the present report. In the fiscal year 1972, community facilities valued at $601,904 were financed through 58 grants (33 grants valued at $389,004 in 1971). The Government's contribution for these projects amounted to $402,486 and matching contributions from the communities amounted to $60,603 in cash and $86,801 in labour and other in-kind contributions, representing a total local input of roughly 27 per cent. In 1971, the Government's share was $214,552 and the community's share was $45,056 in cash and $129,393 in kind, with a total local input of 44.5 per cent.

381. Head Start programmes for preschool children continued to be the main concern of the community action agencies. They have also been involved in other major programmes, including the Ponape skip-jack project (valued at $153,976) and a regional economic development programme in Palau. Minor projects include village water systems, recreation fields and multipurpose buildings. With the end of financing from the Office of Economic Opportunity, many of the projects now being undertaken by the community action agencies are jeopardized, although attempts are being made to find alternative financing.

382. We saw several examples of the work being conducted in communities through the agencies referred to above. Many of these were impressive, especially those carried out by the people of small communities who, without outside financing, and in some cases, expert technical assistance, could not have begun to tackle the projects in question.

383. The 1970 Visiting Mission observed that there was a considerable overlapping of the functions of the Community Development Division and the community action agencies. The "unhealthy rivalry" mentioned by that Mission no longer appears to be a problem, but duplication of effort and lack of co-ordination still occur. Accordingly, we suggest that the work of the agencies concerned with community development be more efficiently co-ordinated and that a single department or individual be given responsibility for overseeing the work of the agencies.

384. The activities of the civic action teams, which, on the whole, are confined to the outer districts, have been of benefit to the local people, especially in those remote areas previously neglected by the district and central governments. The Congress of Micronesia has gone on record praising the work of the Seabees. We hope that their services will continue to be made available as long as they are requested by the Micronesians and that, in deciding how best to make use of them, the Administration will avoid operations which cannot be taken over following the departure of the civic action teams.

385. We hope that funds will be made available to continue the work of the community action agencies and, in particular, the Head Start Program.

386. In the course of its visit the Mission noted a phenomenon for which the large expenditure of funds on community development may have been partly responsible: the growing dependence of people in many communities on external aid for financing community work. In many areas people are becoming less willing to contribute volunteer labour for projects within their own community and expect to be paid like any other government employee. This tendency has undoubtedly been encouraged by the action of district legislatures in finding funds for the 10 per cent matching grant, which previously came exclusively from the resources of the individual communities requesting a particular project. In other cases the 10 per cent contribution has been waived. As pointed out by Mr. Fox, the United Nations Social and Welfare Adviser in the Pacific, in a report commissioned by the Administration, this drift away from self-help and from the use of the community's own resources towards total dependence on subsidy is a contradiction of the basic objectives of the community self-help programmes and, in some instances, makes them indistinguishable from the category of public works. Mr. Fox also reported that districts were finding it more difficult to recruit community volunteers to help with preschool activities, youth programmes, school drop-outs, neighbourhood centres, etc. More and more people expected to be paid for their services. This is a cause for concern, especially in view of the recent cuts in external financing. We share the hope expressed by Mr. Fox that this trend can be halted and eventually reversed. Local leaders should insist that participants in community projects genuinely involve themselves as partners and not just as recipients, when engaged in community development work for the benefit of their own people.

D. Low-cost housing

387. The Division of Community Development is responsible for the establishment and administration of the Trust Territory Low-Cost Housing Loan Program which is aimed at improving housing for the estimated 10,000 families in Micronesia still living in substandard dwellings. District housing authorities have been established in five of the six districts to administer the funds made available for housing loans by the Trust Territory Government. A United Nations expert and the Federal Department of Housing and Urban Development have provided technical assistance to these authorities and advised them on how to make the most efficient use of the financial resources available to them. Since 1971, $1,050,000 has been provided from Trust Territory funds to the district housing authorities.

388. Since their establishment, the district housing authorities have issued 265 loans averaging between $3,700 and $7,000. Public Law 5-37, recently enacted by the Congress of Micronesia, provided for the establishment of a Territorial Housing Commission to co-ordinate the activities of the district housing authorities.

389. The low-cost housing programme has undoubtedly succeeded in one of its aims, which is to provide a substantial number of low-interest loans to Micronesians wishing to improve substandard housing. To date, however, only a limited number of persons have benefited under the scheme and no satisfactory method has yet been found of helping the poorer elements of the population. We have the impression that the other major aim of the programme - to encourage better quality in house-construction and the use of cost-saving methods and locally produced materials - had not been successful. The 1970 Visiting Mission noted that Peace Corps architects had designed various low-cost houses, with particular emphasis on the use of local materials. It was hoped that these models would be used as examples for local people to copy in their own housing construction. Unfortunately, this part of the programme does not appear to have prospered since 1970, and we were told that lack of funds had caused the temporary abandonment of the model housing project. It appeared to us that this housing programme, which had been established on an *ad hoc* basis and administered purely at the local level required more careful central co-ordination and control; accordingly we welcome the enactment of Public Law 5-37. We were also told that the Division of Community Development had requested the services of more United Nations experts; this request had been directed to the Administering Authority, but had so far met with no response.

F. Status of women and women's organizations

390. As previous visiting missions have pointed out, the status of women in traditional Micronesian society is higher than that in many societies throughout the world. In some areas, family descent or lineage is matrilineal, and women wield considerable power and influence.

391. The 1970 Visiting Mission noted that Micronesian girls were increasingly taking advantage of the opportunities open to them through the educational system. This trend has continued. A significant proportion of secondary school students are girls (approximately 37 per cent) and the same is true of Micronesians studying abroad (32 per cent). On a few islands distant from the district centres there is still some reluctance about daughters breaking tradition to go away to high school or abroad, but this is apparently diminishing.

392. Although women do not take a prominent part in public life, there are no legal barriers to participation by women in politics, and both sexes formally enjoy equal political rights. There are, however, traditional and cultural obstacles to women taking official and private positions in the Territory. Micronesia is not unique in this respect, and the opportunities for women to compete successfully are probably more promising in the Territory than in many other parts of the world. The Mission met women municipal councillors, senior civil servants and others in positions of responsibility.

393. We note the part being played by the community development offices in fostering women's organizations through women's interests offices. Recalling the remarks about the education of girls in the report of the 1970 Visiting Mission, we note also that the Micronesia educational system is now making more provision than in the past for instruction in Micronesian history and social traditions at the elementary level. This is a welcome development, as it is important that young Micronesian women not only have the opportunities to train for participation in the modern world but also to learn about the traditional ways and strengths of their own society which they can, in their turn, pass on to their children.

F. Youth questions

394. The Mission was told that the number of offences committed by young people has continued to rise, particularly in the more developed district centres. It was the general consensus of those people who spoke to the Mission that juvenile delinquency was one of the important social problems in the Territory.

395. The major causes for the increase in juvenile delinquency appear to be the following:

(a) Limited job opportunities and recreation outlets, including a lack of youth clubs and sports organizations;

(b) Drinking;

(c) Inadequate parental or other family control to replace the control of village or clan which has been weakening rapidly as a result of social changes;

(d) The movement of population to the district centres, where children from other islands look for work or attend school free from family supervision;

(e) The increasing and indiscriminate exposure to modern influences which have provided serious stresses between the generations;

(f) The use of drugs, especially marijuana; we were told that, except in the Marianas, this was not yet a serious problem but could become so as an increasing number of young Micronesians return from abroad.

396. The Juvenile Delinquency Planning Council has made several suggestions for dealing with the problem of delinquency, which the Mission was informed have been accepted by the Department of Public Safety; some have been implemented but others have not, owing mainly to a shortage of funds.

397. The principal youth programmes in operation at present are the following:

(a) Neighbourhood Youth Corps Program. This programme, which was initiated in 1968, is one of work experience and remedial education for out-of-school, unemployed youth. A total of 131 youths are now receiving on-the-job training under this programme, which is given administrative assistance by the district community action agencies.

(b) Job Corps. In the present financial year, the Division of Community Development has co-ordinated the selection and transportation of 60 Micronesian youths to the Hawaii Job Corps Center in Hawaii for nine months of vocational training and counselling. Thirty of the previous Micronesian Job Corps graduates have now been accepted by and are enrolled in the Community College in Honolulu for advanced training. Other graduates who have returned to the Territory have in most cases found employment.

(c) Youth Delinquency Prevention Program. This programme, which has the services of a boy scout adviser, is mainly directed towards encouraging the expansion of the boy scout and girl guide movements in the Territory.

(d) Youth recreational programmes. These programmes are conducted on an ad hoc basis and are administered through the district community development offices. They include helping local communities to provide recreational facilities for their young people and to organize inter-community or inter-school sporting events.

398. In July 1972 the Division of Public Safety recruited a Micronesian trained in Hawaii as a juvenile and detention specialist to establish procedures and set standards for district juvenile officers. He recently visited the major population centres in the Territory and conducted a two-week training conference for all district officers. His role is to co-ordinate all government and private agencies which have to do with juvenile and youth problems. He is also working on a proposal for a juvenile justice system for the Territory which he hopes will be ready by the end of 1973.

399. We are concerned about the growing problem of juvenile delinquency. There has been considerable research into this problem, and the authorities in the districts and in the central Government are aware of the difficulties confronting them. We were told that the main obstacle to implementation of the various suggestions for dealing with juvenile delinquency is the shortage of funds. The Administration should therefore consider giving a high priority to the financing of the more urgent proposals. Amongst these, we would single out the construction of suitable detention facilities, rehabilitation programmes, training of police personnel in juvenile problems, employment of specialist juvenile probation officers; counselling for parents of persistent delinquents and the construction of recreational facilities for young people in the more populated areas. We also suggest that urgent attention should be given to the problem of how to enforce more effectively the beverage control laws. We have the impression that one of the difficulties in the past has been a lack of co-ordination of the various measures being taken to cope with juvenile delinquency, and we consequently welcome the appointment of the juvenile and detention specialist. He should not only be given adequate funds for this task but also the authority to co-ordinate and control all youth programmes.

G. Public safety

400. Breaches of the law have become more numerous in recent years, with prosecutions in 1971/1972 numbering 3,754, compared with 3,420 for the previous year. At the same time, the number of major crimes, which had remained fairly constant in past years, has recently shown a sharp increase, from 23 in 1970/1971, to 72 during the year ending June 1972. Most of these crimes were thefts with violence, particularly in Truk District, where there were 38 such crimes in 1971/1972, compared with 6 in the previous year.

401. The Mission was told that one of the major problems was the shortage of police manpower. A total of 229 police personnel, mainly confined to the district centres, are at present engaged in all branches of public safety work, including fire-fighting. Another 64 employees are paid under a federal manpower grant. Most of the police personnel will be without employment from 1 July 1973, as no more federal funds will then be available. An effort will be made to transfer some of them to the Trust Territory payroll, but money can be found for only a limited number. We were told that more manpower was urgently needed for those areas with a rapidly increasing crime rate.

402. The increase in crime is cause for concern. We hope that the authorities will accord to this area the priority it deserves. It is noteworthy that at the district level, notably in Ponape, rigorous law enforcement measures, including the strict application of beverage controls, are apparently having a beneficial effect. There does seem to be a need for an increase in police manpower and, if possible, funds should be found to retain the services of those public safety personnel due to be laid off at the end of June. With regard to the Territory's gaol system and rehabilitation of adult offenders we suggest the following:

(a) Substandard gaols should be replaced;

(b) Rehabilitation of offenders should be given high priority and should include the training of staff, the education of prisoners and the introduction of vocational programmes to help offenders succeed in the community;

(c) The provision of full-time probation officers in in-service and out-service training, including participation in any Pacific regional seminar on probation services.

We understand that proposals along these lines have the approval of the Department of Public Safety. Finally, it should be noted that the firearms control legislation is apparently proving effective.

H. Peace Corps

403. There are currently 231 Peace Corps volunteers in Micronesia. Almost 90 per cent (172) are in education; others include lawyers working with the municipal and district legislatures and in the Congress of Micronesia; architects, engineers and skilled construction experts involved in municipal projects;

co-operative and small business advisers; specialists in communications assisting with broadcasting, newspapers and other media; nurses; laboratory technicians and ecological specialists. In education, the tendency is to move away from classroom teaching into such spheres as teacher training and on-the-job supervision, educational administration and curriculum development. Teaching of English as a Second Language (TESL), which was predominantly a Peace Corps programme, is now being organized and staffed by Micronesians in most districts.

404. A training programme was introduced in 1970 to replace United States citizens by Micronesians. A Micronesian now holds the post of Associate Director for Management and the District Director for Palau and Yap is also a Micronesian. As at 31 January 1973, there were 8 United States citizens and 20 Micronesians in senior staff positions.

405. In marked contrast to the high percentage of early terminations (currently 20 per cent) a very large number of volunteers who have successfully completed their two-year commitment now find employment in a wide range of public activities within the Territory. There are more than 100 former volunteers in this category, representing one sixth of all expatriate employees.

406. We were generally impressed by the calibre of the Peace Corps volunteers whom we encountered and by the quality of the work. We wish to record that concern was expressed to the Mission that, although Micronesians were not in a better position to run TESL, Peace Corps English teachers were withdrawing too quickly at the expense of its efficiency. Taking account of the great importance of English as a medium of communication in the Territory and as a unifying factor and noting that generally standards in English are low, especially in the elementary schools, we suggest that consideration be given to retaining Peace Corps volunteers in the programme until the general level of English teaching throughout the Territory has been raised. We welcome the fact that it remains the primary aim of the Peace Corps to replace its personnel with Micronesians and to turn over its activities to local people. Owing to the shortage of skilled Micronesians this is a long-term goal, but success of the Peace Corps in working towards this goal is indicated in the reduction of volunteers from an all-time high of 700 (in the later 1960s) to the present strength of 231.

407. Peace Corps activities are co-ordinated mainly at the district level and through advisory boards representative of the local leadership. Concern was expressed to us that at both the district and territorial level Peace Corps volunteers are often allocated on an ad hoc basis rather than in conformity with long-range planning. There is also a tendency to put Peace Corps volunteers into positions which not only cannot be filled by local personnel immediately but are also not established in long-term civil service planning. Consequently, these programmes become the personal property of the volunteers and disappear on their departure. There is also a more recent tendency, quite rightly being resisted by the Peace Corps, to offset the freeze on new employment by allocating volunteers, who cost the local government nothing, to posts which could and should be filled by Micronesians.

408. We recommend that during their period of training, volunteers should be given comprehensive instruction on the relation of the United Nations to the Trust Territory. Volunteers, particularly in outlying areas, come in contact with a very wide range of Micronesian society and are frequently called upon for all kinds of advice by Micronesians. It is important, therefore, that volunteers should be in a position to give an informed opinion about the role of the United Nations. According to some volunteers informal instruction on this subject was given during their training period but it appears to have been elementary and superficial.

CHAPTER V

EDUCATIONAL ADVANCEMENT

A. General

409. Expenditure on education in Micronesia has increased substantially in recent years. An estimated $17.6 million has been allocated for the fiscal year 1973, representing approximately a 14-fold increase over a ten-year period. The educational sector continues to have the highest priority in public expenditure and accounts for approximately 25 per cent of the entire Trust Territory budget.

410. According to Public Law No. 3 C-36, the goal of education in Micronesia is to develop its human resources in order to prepare the people for self-government and participation in economic and social development; to function as a unifying agent and to bring to the inhabitants a knowledge of their own people, their islands, the Government and the economy; and to provide Micronesians with the professional, vocational, social and political skills which will be required in the development of the Trust Territory.

411. As provided by Public Law No. 3 C-36, Micronesians participate at all levels at which educational policy is formulated. Although there is a Micronesian Board of Education, the Mission has the impression that a high proportion of major decisions in various educational fields are taken at the district level. This system, if not carried to extremes, appears to the Mission to be a healthy development because the problems of the individual districts vary considerably. There are, however, important basic issues which can be decided only at the territorial level: for instance, ensuring as far as practicable that educational development proceeds at an even pace throughout the Territory. Some districts are considerably more favourably placed than others in regard to the quality of education and facilities. It should, therefore, be a major objective of the Administration to bring the more backward districts up to the general level of the more developed areas, and, when this has been done, to monitor educational development throughout the Territory with a view to co-ordinating growth on a territorial basis.

412. The Mission was told that United States Health, Education and Welfare funds will not be available for the Territory after 1 July 1973. Several educational programmes will be jeopardized including the bilingual projects being conducted on a pilot basis at some elementary schools, the research now going on into the orthography of local Micronesian languages at the University of Hawaii and the teacher training courses throughout the six districts. The withdrawal of these funds could have a serious detrimental effect on several areas of educational development.

413. The Mission has the impression that although considerable thought has been given to the subject, at both the district and territorial levels, the educational authorities have not yet fully crystallized their long-term goals and objectives

for the role of education in the development of Micronesia as a Pacific nation. In general, there are two opposing points of view which, in their extreme form, are as follows:

(a) All Micronesians should be exposed to the best available educational facilities (by this the proponents usually mean colleges and universities in the United States) and the territorial educational system should be geared to ensuring that all high school graduates should be able to compete on equal terms with United States nationals and other foreign students at colleges and universities outside the Territory;

(b) The territorial educational system should, as far as possible, be exclusively Micronesian and should be geared largely to vocational and technical education. Students outside the Territory are exposed to alien influences to the detriment of the traditional Micronesian culture and values, which leads to a potentially dangerous situation by creating a large number of highly trained and well-qualified Micronesians for whom jobs will not be available. The proponents of this theory point to the experience of some other developing countries in this matter.

414. As will be seen from our observations, set out in other sections of the present chapter, we believe that the correct course for the Territory lies somewhere between these two extreme points of view, but nearer to those outlined under (b). The undersigned share the impression, however, that the Administration's present educational policies, especially those relating to higher education, are closer to the view expressed under (a). The concerns voiced by the proponents of the theory set out under (b) are valid, especially those relating to the employment prospects of returning graduates and these should receive attention. In this connexion, we refer to the observations made in the appropriate sections of the present chapter and to our principal suggestions which are, in summary, the following:

(a) There should be more critical scrutiny of applications for Trust Territory scholarships and a more rigid enforcement of the existing system of priorities, with appropriate safeguards for ensuring that students receiving financial help from the Trust Territory work in the field for which they were trained at public expense. In addition more guidance should be given to students in the planning of their careers and in their choice of institutions for further education outside the Trust Territory.

(b) There should be increased emphasis on vocational education at the elementary, intermediate and high school levels. The new intermediate **or junior** high schools should primarily be vocationally oriented.

(c) The question of employment for graduates at both the high school and tertiary levels should be studied, and more assistance should be given to graduates in finding employment to satisfy their own wishes as well as the needs of the Territory.

(d) There should be increased emphasis on social, civic, linguistic and cultural studies with a Micronesian and Pacific background.

(e) Students of high intellectual and academic ability whose further training outside the Trust Territory would be of practical benefit to Micronesia should be more adequately prepared for competing in the outside world; consideration should therefore be given to the selection of one or two high schools where the more academically oriented students could be placed on a college-bound track.

(f) As a long-term aim (the recommendation immediately above should be considered as an interim one) consideration should be given to the foundation of a Trust Territory junior college which would be an intermediate stage for those high school graduates destined for further education outside the Trust Territory. This college could also be a means of providing further education in a Micronesian environment for those students who would benefit from further training but who may not be destined for university education outside Micronesia.

B. School construction

415. Since 1970, 98 educational units have either been built or are still in the course of construction. These include 67 classroom buildings (comprising 268 individual classrooms), 17 dormitories, 3 cafeterias, 4 libraries, 4 vocational shops and 3 other general purpose buildings. A further 38 are planned for the next fiscal year, including 19 classroom buildings (75 individual classrooms) and 13 dormitories. In addition, since 1970 a total of 172 substandard classrooms have been renovated or replaced, leaving an estimated 117 remaining to be done. In 1971/1972 the sum of $1.4 million was allocated for capital improvement projects to elementary schools and $4.9 million has been budgeted for the same purpose to cover the next six years. A total of $2 million was earmarked for secondary school construction in the last fiscal year and $14.4 million have been allocated for the next six years. The goal of the Administration is to provide facilities for at least 80 per cent of the population of secondary school age by 1977. The Mission visited a wide variety of schools in the Trust Territory. The standard of buildings and facilities varied from district to district; the Marianas, Palau and Yap appeared to be the most favoured, Truk less so and Ponape and the Marshalls were at the lower end of the spectrum. The Mission could not fail to contrast the abysmal conditions, especially in the dormitories, at Majoro High School with the well-equipped buildings in Saipan and those now being constructed on Palau. In the case of the Marshalls and Ponape, where only a minority of primary schoolchildren are able to go on to secondary school, one of the major obstacles to their doing so is the lack of building, especially dormitories, in the district high schools. We hope that the Administration will complete the building programme for these areas in particular as a matter of priority.

C. Elementary education

416. Pupils enrolled in public elementary schools in the Trust Territory numbered 27,371 and in private elementary schools numbered 3,380. The corresponding figures for 1970 were 23,711 and 4,432. In addition, 423 preschool children were at kindergarten schools. According to the Administration, elementary education is now almost universal for the age group 6-14 years compared with a figure of 83 per cent in 1969.

417. We recognize the considerable achievement on the part of the Administration, in partnership with mission schools, in ensuring that an extremely high proportion of Micronesian children receive an elementary education. In view of the formidable task of providing educational services throughout the widely scattered islands of the Territory, the Administration has done well to come so close to its avowed target of making compulsory elementary education for all a reality. The problem with elementary education is now rather more a matter of quality than availability. Some elementary school buildings seen by the Mission were substandard and in urgent need of replacement. The newer buildings were more impressive and teachers and other educators appeared to be satisfied with the new standard classrooms now erected. The same unevenness applies to other facilities such as recreational areas, teaching aids, textbooks and other basic educational materials. In other areas, schools appeared to be well equipped and, in the case of less favoured schools, the teachers and students have combined to produce their own teaching aids and classroom posters. We hope that these deficiencies will soon be overcome and that a uniform standard of educational materials will be applied to all areas of Micronesia. We also noticed that recreational facilities are almost entirely lacking at the elementary schools, except in Yap, and we recommend that consideration be given to the provision of simple sports facilities in all districts.

D. Secondary education

418. The latest available enrolment figures for students is 5,525 in the public secondary schools (3,288 in June 1969) and 1,577 in the private schools (1,342 in 1969). The objective of the Administration is to provide a secondary education for all young people who desire it. This objective is said to have been achieved in Yap and the Marianas, where approximately 90 per cent of the eighth grade students go on to high school. In Palau, the figure is approximately 87 per cent and here, for the first time in some years, the high school was not able to absorb all elementary school graduates. In the three eastern districts (except Kusaie island) a very much lower percentage of elementary graduates can proceed to secondary education: 35 and 45 per cent in the case of the Marshalls and Ponape (the Mission was told locally that the figure was nearer 25 per cent) and 51 per cent in Truk. According to the Administration, the territorial average is approximately 66 per cent.

419. Attempts are being made by the educational authorities to remedy the situation described above. In Truk, with the completion at the end of 1973 of the sixth public high school in the district (one senior and five junior high schools)

it is anticipated that, in the 1973/1974 academic year, 80 per cent of eighth grade graduates will be able to attend high school. The Administration also plans to build additional high schools in the Marshalls and Ponape but the implementation of this programme may be delayed by the cuts in the Territory's capital improvement programme.

420. The standard of facilities and educational materials varies considerably from district to district. We agree with the Administration and the Congress of Micronesia, which has in the past described the eastern districts as educational "disaster areas", that the standard in the less developed areas should be brought into line with those prevailing in the western districts. Although we recognize the urgent need for new school construction in certain areas, we believe that the Administration should concentrate immediately on improving the quality of education offered at the existing high schools. There is a real need to tackle the difficulties arising from the use of teachers with only an elementary school education and insufficient training in English; from the turn-over in staff in many high schools among Micronesian as well as expatriate teachers; and from the unevenness of teaching standards at the secondary schools. This comment should not be taken as a criticism of the establishment of new intermediate or junior high schools up to the tenth grade, with emphasis on vocational training. This type of school, which has been set up in Truk District, is an intermediate educational approach that might also be of benefit in other educationally neglected areas such as the Marshalls and Ponape, and might be preferable to the immediate provision of full-scale high schools.

E. Vocational and technical education

421. The two main institutions offering full-time vocational education are the Ponape Agricultural and Trade School and the Micronesian Occupational Center in Koror. The first full group of graduates from the Micronesian Occupational Center completed their training in August 1971. The Mission was told that of the first 270 graduates, 220 had found employment in their field of knowledge. Catering and secretarial graduates had had the least difficulty in obtaining employment, but draughtsmen had found work less easy to obtain.

422. Since February 1971, both the Micronesian Occupational Center and the Ponape Agricultural and Trade School have offered in-service and pre-service vocational teacher training. The first teacher trainees graduated in August 1971 and returned to their home districts to begin teaching vocational education courses. It is now planned to extend this course to a full nine-month programme. Another institution offering vocational training, albeit on a minor scale, is the Seamanship School at Dublon in Truk District. This school is turning out two groups of 20 trainees a year for employment with the inter-island field service fleet.

423. It is the policy of the Administration to offer vocational education, including courses in home economics, agriculture, construction and mechanics, in all public secondary schools. According to the Administration, most secondary

schools also offer an exploratory industrial arts programme. Co-operative education programmes, in which students spend two hours a day gaining practical work experience outside the school are operative in secondary schools in district centres. At the Outer Islands High School in Ulithi, Yap District, students have built several buildings, including two dormitories, as part of their heavy construction training. Also at Ulithi, vocational education in elementary navigation, fishing techniques and other related skills is conducted by members of the local community who are expert in these traditional island skills.

424. Since 1968, the Trust Territory Advisory Manpower Council has had, as one of its functions, the review of educational programmes in the Territory and, through its committee on vocational education, has been concerned with the application of federal programmes under the Vocational Education Act. In the fiscal year 1972, a total of $159,731 was made available for manpower development and training programmes, which included the Seamanship School at Dublon, a construction trades programme, a food service programme, on-the-job training in private companies involved in the fishing and shell fish industry and in a range of other private companies which accept trainees chosen by the Advisory Council. In 1971, 46 trainees were educated at a cost of $14,259 and, in 1972, 56 persons received training at a cost of $18,000.

425. The 1967 and 1970 visiting missions stressed the importance of vocational education for the development of a self-sufficient Micronesia. Both missions pointed out that too much of the education then being offered was academic, geared to a United States pattern and of little relevance to the realities of life in the Territory. We welcome the fact that since 1970 much more emphasis has been placed on vocational education, especially at the secondary level, but we consider that this process should be carried further.

426. Despite this change of educational direction, as in other fields of education, the quality and quantity of the technical and vocational education offered varies considerably from district to district. Some of the high schools are taking vocational education seriously, have competent instructors and good facilities. At others, facilities are primitive and it has been difficult to recruit qualified teachers. In these cases, the emphasis on vocational education is more theoretical than real. Even where the facilities and teaching are of a high quality, however, vocational training does not make up a sufficient part of the curriculum.

427. According to the critics of the Micronesian Occupational Center, the courses offered and the techniques and equipment with which its students are trained are too sophisticated for Micronesia, especially for those graduates returning to work in the outer islands. We noted that some of the more sophisticated items of equipment, including power tools, would be of little use to students working in areas with no electric power, but, at the same time, we observed that all students were first given a basic grounding in less complicated and more generally obtainable tools. We were also told, as noted above, that some of the graduates from the Center had difficulty in finding related employment within Micronesia (particularly draughtsmen) but the Center is currently re-examining it

courses in the light of Micronesian needs. We noted that courses in agriculture and fishing are not yet offered at the Center.

428. Little vocational or technical training is provided at the elementary level. The Administration had informed the 1970 Mission of its plans to introduce programmes of vocational and technical training in the upper elementary grades, but we found little evidence of this having been done. We believe that it is important to interest Micronesian schoolchildren in subjects such as agriculture, fishing, carpentry and home economics at an early stage.

429. We were impressed by the work of the Vocational Education Committee of the Trust Territory Manpower Advisory Council and endorse the views expressed in the Third Report of the Council to the Territorial Director of Education, published in August 1972. In particular, we wish to draw attention to the recommendation urging the need for a study of manpower requirements in each district to determine the job opportunities which will be available in the next 5 to 10 years, thus permitting proper planning on the type of vocational subjects that should be emphasized in the school and in adult educational programmes. As in the case of the Administration's policies relating to higher education, we have the impression that the long-term goals for vocational programmes have not yet been fully worked out nor have all the implications of embarking on extensive vocational education been fully taken into account.

F. Private schools

430. In accordance with Public Law No. 3 C-36, private schools have been incorporated into the educational structure of the Trust Territory. Non-public schools may only be established on the recommendation of the Director of Education and on the approval of the High Commissioner. Their charters are issued by the High Commissioner and must be renewed every three years. They are required to submit to the Director the same reports concerning attendance, enrolments, curricula, etc., as those required of public schools. Students in private schools receive from the Trust Territory Government the same benefits enjoyed by public school students in regard to transportation, textbooks, insurance, testing services, medical and nursing services and teaching programmes. Apart from this assistance and except in cases where district legislatures have aided private schools, their financial support comes entirely from private sources.

431. The 1970 Visiting Mission reported that, largely for financial reasons, the religious missions were finding it increasingly difficult to maintain adequate standards, especially in their elementary schools. This is still the case, and some mission schools have now been taken over by the Administration. Some private high schools offer a higher level of education (at least in certain respects) than the majority of the government high schools. Particularly noticeable is the better command of English of mission high school students. The Administration considers that private schools have an important role and provides some support for them. Private schools are grateful for governmental assistance and, in some cases, they would not be in a position to carry on without

it. We have no view in principle about the continuation or otherwise of private schools. We believe, however, that these schools are at present providing certain facilities not provided elsewhere and we consider it important that, by whatever means, these facilities which have basically high standards of instruction, should be continued.

G. Staffing

432. In 1968/1969, 73 per cent of the teachers in elementary schools and 39 per cent of those in secondary schools were Micronesians. Currently, there are 1,341 Micronesian teachers in the elementary schools out of a total of 1,502 (89.5 per cent) and 226 secondary school teachers out of 513 (44 per cent). Of the administrative staff (including education specialists), 94 are expatriates and 259 are Micronesians.

433. We were told that the minimum requirement needed by a Micronesian to become a teacher in the Trust Territory, at either the elementary or secondary level, is the possession of a high school diploma. Currently, there are 52 secondary school teachers without this qualification, 43 of whom work in the public schools. Of the elementary school teachers, 269 do not have high school diplomas and of these 235 are employed in the public schools. According to the Administration, the majority of these (non-certified) teachers are older people who are carried under a so-called "grandfather" provision but who are being replaced each year as they resign or retire. Expatriate teachers must possess a bachelor's degree from a college or university.

434. The Administration's aim is to provide each teacher with the equivalent of at least four years' training beyond high school. Each district has its own teacher-training centre which offers a nine-month programme to persons with previous teaching experience in elementary courses. The six centres trained a total of 145 elementary teachers in 1971. In addition, the Territory runs a series of teachers' workshops and a number of teachers go overseas for specialized short-term courses.

435. The major establishment for teacher training within the Territory is the Community College of Micronesia, formerly the Micronesian Teaching Education Center, located at Kolonia on Ponape, which offers a two-year course specializing in elementary teacher education leading to an associate in science degree. Total enrolment is approximately 90, with 37 students graduating in 1971 and 35 in 1972. The Community College gives intensive instruction in spoken and written English, as well as courses in academic subjects related to elementary school programmes.

436. In addition to these formalized courses in teacher training both in and outside the Territory, there are in-service training courses in each district. A very high percentage of students now overseas on Trust Territory scholarships are pursuing studies in the field of education.

437. We note that one of the major aims of the Administration is the raising of teaching standards throughout the Trust Territory. The increase in the number of Micronesian elementary school teachers from 73 per cent to nearly 90 per cent in three years is impressive, but progress is still very slow in regard to secondary school teachers. There is a long way to go before teaching standards reach a satisfactory level. The principal deficiency is the generally very low standard of English possessed among elementary school teachers. Although, theoretically, the medium of instruction from the fourth grade onward is English, instruction in that language is hardly used at many elementary schools, especially those away from district centres. The English of the students is, at best, mediocre, a reflection on the proficiency of their teachers. We would like to emphasize the importance of the teaching of English as a second language especially to teacher trainees.

438. There is **strong emphasis on the teaching of English at the Community** College of Micronesia, and we trust that the same emphasis will be placed on the instruction of experienced and trainee teachers in the various courses now being offered in the Trust Territory. Good teachers require good tools. As we have observed elsewhere in this report, in many areas textbooks are in extremely short supply, with whole classes sharing a single book. Teaching aids are often non-existent. At a few schools, conditions are generally so primitive that the difficulties of the teacher are immensely increased.

439. It is important that all teaching staff should meet a required minimum qualification. We hope, however, that for the present some flexibility will be maintained when considering the resignation or retirement of older teachers, currently employed under the "grandfather" provision. Some of these older teachers, although lacking formal qualifications, still have a role to play. Another aspect of the use of unqualified but competent persons is the suggestion made by the Education Committee of the Congress of Micronesia, that the burden on teachers could in some instances be alleviated by a system of teacher aides drawn from the community who would supervise such subjects as arts, crafts and physical education. This system has been introduced in some areas. Older people from the community teach in elementary schools as "culture teachers" for a few hours each week, thereby passing on to the children some of the cultural and social traditions of the community.

440. A problem mentioned to the Mission was the quick turnover of both Micronesian and expatriate teachers. In the case of expatriate teachers the Mission was told that many served only one contract engagement (two years) and in several instances did not even complete that term. We received the impression that many of the expatriate teachers from the United States found that they were unsuited to the Micronesian style of life and were totally unprepared for teaching in Micronesian schools. It was suggested to us that contract teachers should be given a thorough orientation course in Micronesia before taking up employment. The Micronesian Department of Education recognizes that this idea has its attractions but claims that it would be difficult to implement. In the case of Micronesian teachers, we were informed that there is a tendency for the better teachers to leave the classroom and enter supervisory,

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administrative, or other related activities outside actual teaching. The 1970 Visiting Mission noted the view of Committees of the Congress of Micronesia that the Micronesian educational system was top heavy with too many administrators and had too few classroom teachers. The Committee on Government Organization then recommended that the Department of Education make a critical reappraisal of its internal organization and staffing pattern with a view, first, to reducing the number of positions at headquarters and in the departmental offices of district centres and second, to increasing the number of teachers in relation to non-teaching personnel. This is still a problem.

H. Higher education and scholarships

441. Higher education is available in the Trust Territory only at the vocational institutions referred to in this chapter, and at the Saipan Nursing College. Accordingly, opportunities are provided for higher education outside the Territory through various scholarship programmes and through partial subsidies, including transportation grants.

442. The number of Micronesians undergoing post secondary education abroad increased from 292 in 1967 to 871 in 1973, of which more than 600 are on administration and legislature scholarships. Of the 871 students, 278 (133 in 1970) are training for work in education; the other major sectors are business studies 154; medical sciences 101 (87 in 1970); trades and technology, 76 (89 in 1970); and social sciences, 63 (98 in 1970); the humanities, 90; law, 38; and agriculture, 19. The vast majority of these students are studying in the United States. The remainder are mostly at institutions in the Pacific area.

443. The distribution of Trust Territory scholarships and the determination of areas of need in manpower development is the responsibility of the Manpower Advisory Council. The priorities set by the Manpower Advisory Council for the 1973/1974 school year are in four main fields: health services, education, occupational training programmes and a miscellaneous area including navigation, animal husbandry, hotel management and tourism, accounting, agriculture, business administration and management, pre-veterinary and veterinary medicine and law. There is reportedly an informal agreement by which students who have completed their education at Trust Territory expense agree to work in their field of study within the Territory for at least the same number of years as they held the scholarship. The Mission was informed that there were many instances of students wishing to change their courses and areas of study. These cases are dealt with on an ad hoc basis and so long as the student's change is from one priority area to another the financing of his studies is continued. The Mission was also informed that approximately 50 per cent of students studying abroad failed to graduate.

444. With regard to the direction of higher education and the control of scholarships we wish to draw attention to recommendations (a), (e) and (f) in paragraph 414 above. Of special urgency is the need for the Manpower Advisory Council to exercise stricter control over the Trust Territory's scholarship programme. The 50 per cent early termination rate of scholarship holders is an

alarmingly high figure. It not only represents a most serious wastage in terms of manpower and financial resources, but also contributes to the problem of employing reasonably well educated youngsters in suitable jobs and the serious social consequences arising from failure to do so. We recommend that the control of scholarships now exercised by the Manpower Advisory Council should be extended to cover as many types of financing as possible, including awards by the district legislature and the travel assistance given to private scholarship holders or non-governmental sponsored students. The Council might also advise on scholarships awarded by religious missions and non-governmental organizations. Scholarships should be awarded within the framework of the manpower priorities set by the Advisory Council. Moreover, students should give guarantees that, except under the most exceptional circumstances, they will not change their course of study and will honour their debt to the community by serving in Micronesia for a specified period. The present arrangement appears to be too informal and is too easily breached. In addition, an applicant's educational background should be more carefully examined to ensure that he benefits from study abroad. In this connexion, we recall the recommendation made above concerning further training either at selected high schools or at junior colleges within the Territory for those students who are college bound.

445. We were informed that once a scholarship was approved the successful scholar was responsible for choosing his institution of further education. We have no quarrel with this arrangement, but believe that guidance should be given to ensure that choices are wisely made. Many students appear to be attracted to colleges in the United States for non-academic reasons. Little information appears to be available to students about institutions elsewhere. It is essential that they be informed of educational opportunities in other parts of the world, but particularly in the Pacific area and in countries whose cultural background is similar to that of Micronesia. We also suggest that the Administration should make more of an effort to publicize information concerning scholarships available to Trust Territory students from States Members of the United Nations.

I. Curricula

446. According to the Administration, the curriculum in the upper primary grades is based on materials in language, mathematics, science and social studies developed outside Micronesia. In the areas of mathematics, science, social studies and special education for the mildly handicapped, curricula and programmes adapted for Micronesia are now being produced. The Mission saw some of these new publications, including Micronesian Mathematics which is being developed for grades 1 to 5 and which, in some areas, has been prepared in the local language and is being extensively used. The social science publications include: Micronesia through the Years and Micronesia: A Changing Society, both of which are published as teachers' guides and student textbooks. In addition, the social studies course in the Mariana Islands District includes Our Micronesia and An Atlas of Micronesia for elementary schools. Other textbooks used in the Micronesian education system, not of United States origin, include the series of island readers (Moana) published in Australia. At the elementary level, the

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district educational authorities have translated some textbooks into local languages or have prepared teaching aids and simple reading materials in those languages.

447. The 1970 Visiting Mission commented on the difficulties arising from teaching in an unfamiliar language (English) when the general linguistic proficiency of the elementary school teachers was so low. As we have observed elsewhere in this report, this situation has only slightly improved since 1970. The standard of spoken and written English, especially in the elementary schools, is still low and, in fact, most of the instruction is carried out in the vernacular, even beyond the fourth grade where, in theory, English should be the medium of instruction. The 1970 Visiting Mission went on to comment that it was better for a class to be taught in a local language and understand than to be taught in English but fail to understand. The undersigned concede the validity of this view but still wish to stress the importance of raising the standard of English throughout the community as an urgent priority. Apart from the necessity of using English as a means of communication outside the Territory, it is of vital importance as a unifying agent in an area where there are nine major local languages, none of which predominates. At some stage in the future, the Micronesians may wish to move towards the choice of a lingua franca other than English. Such a decision is theirs to make. But unless and until it is taken, English is the existing lingua franca and instruction in English remains of the greatest importance. However, it is important not only to develop the teaching of English but also the correct use of local language so that children can emerge from school bilingual. We have noted the bilingual pilot projects now being conducted at a number of primary schools and hope that this aspect of linguistics will be given some attention. (This is a new programme and federal funds to finance it will cease on 30 June.) One of the difficulties of teaching local languages is that of establishing their orthography. Research into this subject, including the production of grammars and dictionaries, is being conducted at the East-West Center in Hawaii and in the Territory.

448. The 1970 Visiting Mission was critical of the subject matter being taught in the Micronesian schools. It found that textbooks were still largely from the United States and of little relevance to Micronesia. The same Mission also felt that more emphasis should be given to the teaching of the culture and tradition of the individual districts, of Micronesia as a whole, and of the Pacific region at large. It appears that within the last three years progress has been made in adapting curricula to Micronesian needs especially in mathematics, social science and history. We commend the Administration for its efforts in this field and hope that they will be pursued in other areas of the curricula. However, too many textbooks are still geared to the United States system - an orientation which is perhaps inevitable as long as a large percentage of the high school teachers are from that country. Besides learning about their own districts and about Micronesia, students should be given more instruction about neighbouring Pacific countries and on the experience of developing nations not only in the Pacific but elsewhere. Some civics courses feature a study of comparative political institutions and political geography, but the quality of these courses depends on the individual teacher and reflects his personal interests.

In this connexion, we note that, despite the establishment of a Territorial Curriculum Council, the district education authorities, and indeed, in some instances, the individual headmasters have complete control over curriculum matters as long as their programmes do not require additional money. We welcome this and share the view of the Committee on Education of the Congress of Micronesia that instruction in the early grades should be attuned to local cultures and customs at the discretion of local educational authorities, but that in the more advanced grades, Micronesian students from different parts of the Trust Territory should share a common curriculum. Production of the social science textbooks referred to above contributes to this objective but little has been done to implement a territorial curriculum at the high school level.

449. Finally, school libraries, which are often the only ones to be found in the district, generally contain a limited and haphazard selection of books. The Administration should pay more attention to providing libraries with material appropriate to the Pacific area, and should include more books on other developing countries and on the United Nations.

J. Dissemination of information on the United Nations

450. Details of the dissemination of information on the United Nations are contained in the report of the 1970 Visiting Mission. 7/ Since then, some instruction on the United Nations and the Trusteeship System has been introduced into social studies classes. Some members of the Mission attended a civics or government class at one of the high schools where students were being taken through the verbatim records of the thirty-eighth session of the Trusteeship Council. The recently produced textbooks and booklets for the Micronesian social studies programme (see paragraph 446 above) contain some information on the United Nations. The Mission also noted in the course of its visit to high schools that the libraries contained some United Nations reports and other United Nations material and that local radio stations broadcast on a regular weekly basis the weekly programme of the Office of Public Information on United Nations events, **"This week at the United Nations".**

451. A considerable amount of material about the United Nations is available in the Trust Territory. Its distribution, however, is often very poor and its use both as display material and for social science or other studies varies from district to district. Much depends on the initiative of individual teachers and administrators. As in 1970, the Mission observed that in many schools and public buildings United Nations posters on display were years and even decades out of date.

452. Despite the availability of material on the United Nations, it was clear to us that many people in the Trust Territory were unaware of the most basic facts

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7/ Official Records of the Trusteeship Council, Thirty-seventh Session, Supplement No. 2, para. 433.

concerning the responsibility of the United Nations towards the Trust Territory. This lack of awareness was not confined to average members of the public or junior officials but also to Micronesians (and expatriates) in senior positions of responsibility. Few persons whom the Mission met had read the report of the 1970 Visiting Mission. Fewer still had read the most recent recommendations of the Trusteeship Council. Most United Nations material, although it could be unearthed in school libraries, gave little evidence of having been read, except in those cases where it was incorporated into an educational programme. We believe that teacher training programmes should include instruction on the role of the United Nations, including its responsibilities for Micronesia, and that a standard presentation of material on the United Nations and the Trust Territory should be incorporated in social science studies in the Territory's high schools.

453. It is unfortunate that there seems to be little popular awareness of, or interest in, the United Nations. Indeed, for the vast bulk of the population, the celebration of United Nations Day may be the only indication that the United Nations exists at all. We again recommend that the Administration should distribute as widely as possible such things as summaries of the Trusteeship Council's recommendations and of the conclusions of visiting missions. Although we realize the practical difficulties, we consider that, wherever possible, the summaries and conclusions should be rewritten in the most simple form of English and also should be translated into local languages. The present form of United Nations radio broadcasts, as rebroadcast by the individual district radio stations, are almost totally useless and thought should be given to the production of a programme on the United Nations and how its activities affect the Trust Territory, at a more simple and more readily understood level.

CHAPTER VI

WAR AND POST-WAR DAMAGE CLAIMS

A. War damage

454. Because of its geographical position, Micronesia had the unhappy privilege of being the theatre of some of the fiercest fighting of the Second World War. The population unwillingly involved in the fighting suffered three kinds of damage:

(a) Encroachments on property rights when the Japanese army was preparing for the attack of December 1941 and later when it was organizing the struggle against United States forces;

(b) Damage to persons and property during the hostilities particularly in 1944;

(c) Material damage after the United States took the islands ("post-secure" damage).

455. No arrangements were ever contemplated to compensate for the damage referred to in paragraph 454 (a) above. However, it was laid down in policy Letter No. 1 of 29 December 1947 that any land of which the German and Japanese Governments had physically taken possession was to be considered public land; that any sales of such land to individuals after 27 March 1935, the date of Japan's withdrawal from the League of Nations, were deemed to be void; and that sales by "non-Japanese" (actually Micronesians) to the Japanese Government or Japanese individuals after the same date were deemed to be valid, unless it was proved that the transaction had not been concluded freely and that fair compensation had not been paid. In the latter case, the sale was declared void and the land was returned to its owner against payment to the Territory of the price paid by the Japanese purchaser. These provisions appear to have been applied when the land in question was subsequently used by the United States Administration. No regulations were issued or contemplated in connexion with damage, other than forced sales of land sustained as a result of the Japanese army's war preparations in Micronesia.

456. Some of the damage referred to in paragraph 454 (b) and (c) was covered by a compensation procedure. Under land regulations issued in 1953, Micronesians were given a time-limit (one year or more from the date of publication of a notice) to have declared void sales of land to the Japanese Government or Japanese individuals, the validity of which was contested on the basis of the above-mentioned policy Letter No. 1. In addition, under the same 1953 regulations, where land belonging to Micronesians and occupied by the United States Administration was needed by the latter, the owners were to be compensated by an exchange of public land for their properties or, failing that, by payment of a rent. The application of the 1953 regulations caused some discontent, particularly in the Truk and Mariana Islands districts, the complaint being either that the time-limit for submission of claims had been poorly publicized or that the rents were inadequate.

457. In Truk, the Mission received several petitions on the subject. One of them, relating to all administration lands, was supported orally by Representative Sasauo Haruo, who also submitted to the Congress of Micronesia draft resolution No. 31 on the same subject. According to the petition, Micronesian landowners, being ill-informed, badly represented and intimidated by the power of the territorial authority, had, between 1956 and 1958, accepted a rent that was completely inadequate ($18 per month) in return for the occupation of their lands by the Administration for an indefinite period. The petition requested that the leases should be completely renegotiated. When invited to comment, the District Administrator stated that the 1956-1958 negotiations had been perfectly straightforward, that the landowners had been represented by respected and able persons like Chief Petrus Mailo, and that the amount of rent fixed had been at the time, and still was, not only fair but comparable to that paid for similar land rented by private parties. The other two petitions related to individual cases.

458. For almost 30 years the Micronesians have been constantly seeking compensation for the other war damage referred to in paragraph 454 (b) and (c) above. All visiting missions, beginning with the first in 1950, have heard this question raised and have recommended that measures should be taken to arrive at a speedy and fair settlement. On 28 April 1952, the United States signed a treaty of peace, article 4 (a) of which envisaged the conclusion of a special agreement concerning the property and claims of Japan and of its nationals against the Administering Authority of the Trust Territory, and the property and claims of residents of Micronesia against Japan and its nationals.

459. The special agreement "settling finally and completely" the question of such property and claims was signed on 18 April 1969. Without ruling on anyone's liability this agreement provided that as an ex gratia contribution to the welfare of the inhabitants of the Territory:

(a) Japan would place at the disposal of the Administering Authority 1.8 thousand million yen or $5 million (now approximately $7 million) for the purchase of Japanese commodities, the purchases to be made over a period of three years from a certain date (actually 1 July 1971). Such purchases, however, have not yet commenced. So far, only one third of the total amount of 1.8 thousand million yen is reported to have been paid into the war damage fund.

(b) The United States would establish a $5 million fund to be used for the welfare of the inhabitants of the Territory. As will be seen below (paragraph 460), this fund has in fact been established.

460. An exchange of letters, signed at the same time as the Japanese-American agreement, permitted Japanese ships to call at ports in Palau and Truk for the purchase of supplies and for rest and recreation for their crews as from the date on which purchases of Japanese commodities by the Territory would be possible (cf. the preceding paragraph). The same exchange of letters allowed the Japanese to salvage sunken Japanese ships in Micronesian territorial waters over a three-year period beginning from the same date. As of now, which is a little more than one year before the expiration of that period, no salvage operations have been undertaken.

461. United States Law 92-39 of 1 July 1971 gave effect to the agreement of April 1969. The law established a Micronesian Claims Fund, consisting solely of the contributions mentioned in paragraph 459 above, namely, the United States payment of $5 million and the matching payment of what was then an equivalent amount of 1.8 thousand million yen in Japanese commodities and services. "With a view to maintaining friendly relations" with the population, Title II of the law authorized an appropriation of $20 million for the "final" settlement of bodily or material damage caused to Micronesians by the United States armed forces, United States civilian and military personnel and employees of the Territory, including damage resulting from the acquisition, use or retention of land without compensation or against payment of inadequate amounts. Law 92-39 also established a five-member Micronesian Claims Commission, which was placed under the authority of the Chairman of the United States Foreign Claims Settlement Commission and was empowered to adopt its own rules. This Commission was to register claims within a period of not more than one year from the date of its establishment and was to complete its entire task as speedily as possible and, in any event, not more than three years after the expiration of the initial period. It was to consider only claims by inhabitants who had sustained bodily or material damage resulting directly from Japanese-American hostilities between 7 December 1941 and the various dates on which the different islands had been taken and between the latter dates and 1 July 1951.

462. The Commission was appointed and began its work on 16 October 1972 under the chairmanship of a war damages expert, Mr. Ben M. Greer. It sent agents to the six district centres and to some outlying archipelagos to register claims. The Mission obtained information from Mr. Greer and his staff on how the operations were proceeding in practice. Claimants are asked to contact the Commission's local agent, to whom they give information concerning their claims. The agent who completes the forms has no authority to criticize or contest the statements made by the claimants. One agent can handle approximately five cases a day. By the beginning of March, 2,500 forms had been filled in and the Administration was satisfied that the process could be completed within the legal time-limit, i.e., by 16 October 1973. Although they are bound to be impartial, the Commission's agents, who receive assistance from the Administration and, as regards transport, from the United States navy, try to facilitate the material task of the claimants and to render assistance to them.

463. The Commission will set a rate for each category of damage 8/ and has already established guidelines without, however, laying down inflexible rules. The Commission considers the 1971 legislation very liberal because it provides compensation for loss of human life, which is "perhaps unique in the world" and has never been regarded as obligatory under international law. In addition, the law authorizes compensation for the mere use of landed property, this being an innovation in United States war damages law. Where cash losses are concerned, the Commission is of the opinion that they will have to be evaluated on the basis of the Micronesian standard of living at the end of the war (when the daily wage was five cents); in the case of landed property, it requires proof of ownership through the presentation of a title claim.

8/ Including use or destruction of buildings or land, loss of livestock, trees, clothing, furniture or cash, unpaid wages and death.

464. The Mission took note of communications T/COM.10/L.89, T/COM.10/L.90 and T/COM.10/L.91 concerning war damage. Throughout its visit, in every district, it heard complaints on this subject. One of the complaints merits special comment. It concerns the statements of losses drawn up jointly and at great expense, reportedly $100,000, by the Palau and Mariana Islands legislatures. These documents were prepared on the basis of affidavits which were apparently drawn up quite carefully but not in the form prescribed by the Commission's rules and were evidently based solely on the testimony of the persons concerned. In the case of the Mariana Islands, 792 affidavits were collected. The damage was evaluated at $32 million, of which $9 million (including $5.3 million for deaths) was attributable to Japan, and $23 million (including $22.3 million for landed property) was attributable to the United States.

465. The main complaints expressed during the visit or in the petitions were as follows:

(a) Compensation will be paid in 1976, which is more than 30 years after the end of the Japanese-American hostilities at a time when many victims are dead or too old to benefit from the compensation; in particular, it will have taken five years to implement Law 92-39, although this law in no way prohibited speedy payment of compensation for post-secure damage.

(b) It is unreasonable to ask landowners to produce titles in a country which had no written law until recently, and to require claimants to calculate from memory an accurate assessment of the value of damage sustained a quarter of a century ago, when the United States Foreign Claims Settlement Commission is perfectly capable of making the evaluations.

(c) The United States Congress should not have placed a ceiling on compensation or set the ceiling at only $10 million (now worth $12 million). For recent typhoon damage, for example, Truk alone received emergency relief of $2 million.

(d) The claim forms are too complicated.

(e) Japan should have paid its compensation in cash and should not have been given the right either to recover the wrecks of sunken ships or to have its ships call at Truk and Palau.

466. With regard to the criticisms expressed concerning the regularization between 1956 and 1962 of wartime and post-secure occupation of land in Truk, the Mission can state that it found spokesmen for both the petitioners and the Administration equally convinced of the legal and moral rectitude of their cause. That being so, a settlement of the matter should lie with the courts. We are inclined to the view that the Administration should encourage the question to be thus settled and should not therefore invoke its right of 'sovereign immunity'.

467. We must repeat what was said by all our predecessors, namely, that the delay in compensating the Micronesians who suffered from the war without being a party to it is wrong and unjust. Settlement of the matter was made dependent on

negotiations with Japan which did not begin until 1952; they went on intermittently for 14 years, were resumed in 1966, and were completed only in 1969 with the allocation of an exceedingly modest Japanese contribution. The first three instalments of that contribution have just now, four years later, been paid. Such a delay robs the Administering Authority of the moral advantage it would have reaped from the adoption of an unquestionably liberal law (compensation for death, broad interpretation of the concept of damage to property) and makes the implementation of that law haphazard, since it may well be that imposters will improperly obtain compensation and genuine victims will not be compensated. In addition, the population is growing accustomed to a confused and sometimes mythical conception of war damage.

468. It is now too late to remedy this state of affairs, but we wish most earnestly to recommend that no effort be spared to ensure that the Commission begin considering the applications not later than October 1973 and notify the applicants of its individual adjudications as it goes along without waiting to complete the procedure for all cases. So far as payment is concerned, Law 92-39 implicitly prohibits any settlement before the end of 1976, because it sets budgetary ceilings ($12 million for war damage and $20 million for post-secure damage) and it requires the Commission, explicitly in the case of war damage and implicitly in the case of other damage, to award compensation within those ceilings, and therefore to wait until all cases have been considered and any disputes have been settled before fixing the final amount. Inasmuch as the Administering Authority apparently considers that the appropriations are adequate (cf. the statement by the representative of the Department of State to the competent committee of the United States Congress) to cover all compensation due, it should be prepared to pay compensations immediately upon determination and acceptance, with or without dispute by the beneficiaries. If the appropriations then prove inadequate, as the original request was based on an estimate of adequacy, the Administering Authority should appropriate whatever additional funds might be necessary to complete the payments due. In the short term, the Mission regrets that the amount of $20 million, intended as compensation for post-secure damage, has been authorized but not appropriated by the United States Congress. With regard to the method of calculating compensation, it seems reasonable to take, as the point of reference, the time when the damage was sustained, disregarding later economic changes but correcting the figures to allow for inflation since 1951, as was indeed implicitly agreed by the representative of the Department of State in his statement referred to above.

469. With regard to the affidavits collected by the Mariana Islands and Palau legislatures, the amount, totalling $80 million, is sufficiently high to arouse some doubt concerning the accuracy of a part of the information presented. Nevertheless, the Commission should take those affidavits into careful consideration when processing claims in the two districts and regard them, if not as a sole basis for claims, at least as valuable sources of supplementary information.

470. The Commission's forms contain many questions, some of which are quite long. The Mission noted, however, that the agents had also accepted general replies. If the Commission takes an equally liberal attitude, the criticisms voiced concerning the forms can be disregarded. We were astonished to learn that item 22 on the form concerning individual titles to property should be applied so strictly in a country where many customary rights to landed property are not recorded in writing.

471. The procedure used by Japan to settle its contribution, which in any event is very modest, was chosen because it had been adopted by the Government of Japan in other countries that had suffered from the war. Apart from the fact that it requires purchases to be made in Japan, it has the disadvantage of being complicated. The main point, however, is that full payments should be made as soon as possible.

472. Any attempt to salvage the sunken Japanese ships in Micronesia would undoubtedly anger many people in Micronesia, especially in Truk, where the sunken fleet is a prime tourist attraction and a magnet for divers from all over the world. From what we were told, however, it would appear that Japanese enterprises are not now interested in these operations, and that the Government of Japan does not wish to encourage them; nor would it allow the work to be carried out without first consulting the Territory.

B. Post-war damage

1. Tests of explosives

473. Immediately after the war, Bikini and Eniwetok atolls, in the northern part of the Marshall Islands, were selected by the United States as sites for nuclear tests.

474. On 15 April 1946, the United States acquired the right to use Bikini Atoll for an indefinite period, subject to review every five years. Consequently, the 167 inhabitants had to be settled elsewhere: first on Rongelap, 130 miles to the south-east, where they experienced health difficulties; then on Kwajalein, where they were again unhappy; and finally on Kili and four neighbouring islands, 500 miles from their place of origin, but which they indicated by secret ballot they preferred to Wotho Atoll, although it was much nearer. An agreement of 22 November 1956 provided that the new settlement would be used by the Bikinians until they returned, if they so wished, to their atoll of origin when the United States authorized such a return. In the meantime, they would receive $25,000 in cash and the annual interest on a capital amount of $300,000. On 17 March 1970, following a presidential declaration of 12 August 1969, a new agreement between the United States and the Territory terminated the right of the United States Government to use Bikini Atoll, with the exception of two small lots, a jetty and an airfield. The sum of $3 million was appropriated to resettle the Bikinians. This money has been used, as the Mission saw during its visit to Bikini, to plant a substantial coconut plantation, expected to come into production in 1977; to plant certain other crops; and to build 80 houses, of which 40 have already been erected and the remaining 40 are to be constructed shortly. Some public buildings also will be built. The houses erected so far are of simple design and concrete construction, but are more impressive than much of the housing construction seen elsewhere in the Territory. Of the 300 Bikinians (the population has doubled since 1946), only 200 have decided to return to their atoll next September, but 200 persons from other atolls have expressed the desire to join them.

475. Eniwetok Atoll was much more seriously affected by the nuclear tests and, after 1954, by the thermonuclear tests. In 1947, its 137 inhabitants were

evacuated to Ujelang, 140 miles to the south, and they now number approximately 400. 9/ The tests have been discontinued, and the Administering Authority has agreed to the return of Eniwetok to its inhabitants. However, the Administering Authority has also expressed its intention of using Eniwetok, in the remaining period prior to its return, for experiments with non-atomic explosives as part of the "Pacific Atoll Cratering Experiment" (PACE). At the time that the Mission was in the Territory, the inhabitants, with the assistance of lawyers of the Micronesian Legal Services Corporation, had pleaded before the Ninth Circuit Court in Hawaii that the PACE project violated United States laws on the environment. An injunction against continued tests was obtained in November 1972, but no judgement on the merits of the case had been delivered at the time of preparation of this report.

476. On 1 March 1954, the 82 inhabitants of Rongelap Atoll, east of Bikini, were exposed to atomic radiation from a thermonuclear explosion. They were immediately evacuated to Kwajalein and then settled and treated on Majuro Atoll until July 1957. Their health was affected by radiation exposure. In compensation, the Administration built a new village for them and under an act of 22 August 1964 allocated the sum of $950,000 to be paid to them either as capital or interest. The 23-member crew of a Japanese vessel, Fukuryu Maru, victim of the same explosion, received only a small part (11 per cent) of the $2 million compensation offered to Japan by the United States Government on 4 January 1955. The rest went to fishing companies financially affected by the incident. Thus, each Japanese seaman received only $5,556 (the family of a seaman who died received $15,278) compared with $10,494 for each inhabitant of Rongelap.

477. Since 1954, the Atomic Energy Commission (AEC) has had the population of Rongelap Atoll (and the population of neighbouring Utirik Atoll, who were also affected) examined each year by a medical team. In 1972, following the establishment by the Congress of Micronesia of a special joint committee, on the proposal of Representative Ataji Balos, three Japanese doctors were also scheduled to visit the atolls. This having fallen through, the team responsible for the annual medical examination was joined in its September visit by four specialists: one American, two Japanese and one British. It diagnosed two thyroid complaints and one case of leukaemia, which was to prove fatal in the following November. The people of Rongelap and Representative Ataji Balos told the Mission that in their opinion if the Japanese medical team had come to the island in March 1972, it would have detected the leukaemia in time for the young victim to be cured. At the January 1973 session of the Congress of Micronesia, two bills were submitted aimed at authorizing the people of Rongelap and Utirik to be examined at the district hospital free of charge when necessary at times other than during the period of the annual visit of the AEC team, and aimed also at extending the powers of the special joint committee. On 18 February 1973, Senator Borja, chairman of that committee, suggested to the Mission that the United Nations Scientific Committee on the

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9/ Pursuant to an agreement of 3 February 1944, the population of Eniwetok ceded to the Air Force the use, for an indefinite period, of an area of 1,708 acres, against payment of $175,000. In addition, on 19 August 1969, an ex gratia payment of $1,020,000 was made to them.

Effects of Atomic Radiation should examine the effects of atomic fall-out on those who had been exposed to it.

478. According to a document supplied by the Micronesia Legal Services Corporation, the population of Utirik, a victim, like the neighbour population at Rongelap, of the 1954 tests, has not received any compensation.

479. The Mission was able to visit Rongelap and Bikini, but not Eniwetok. We reached the following conclusions:

(a) The reconstruction of Bikini has been carried out in such a way that the living conditions of the inhabitants are likely to be better than they were in 1946. It must be remembered, however, that the population suffered a traumatic experience through its displacement for 27 years. The Administering Authority should not be considered to have discharged its obligation to the Bikinians once they have been resettled; economic, social and technical assistance will be required for some time. We also wonder whether Bikini's world-wide renown could be used to the advantage of its people by classifying the island as an historical site and by developing it as a tourist attraction. This is, however, primarily a matter for the Bikinians and is an option which they may wish to consider following their resettlement.

(b) The population of Rongelap seems to have resumed a normal life, but it is still scarred by its unfortunate experience. There is a clear need for them to have close and continuing medical attention. It is regrettable that they were only compensated eight years after the Japanese seamen who were victims of the same incident. We do not feel qualified to comment on the Micronesian suggestion that the United Nations Scientific Committee on the Effects of Atomic Radiation should study the effects of fall-out, but suggest that the Administering Authority should give serious consideration to the request.

(c) As to Eniwetok, we feel that once the Administering Authority had decided to return the atoll to its inhabitants, it should have refrained from considering its use for any further military purposes.

2. Missile Range

480. Kwajalein is the name of both a huge atoll, the largest in the world, situated more or less in the centre of the Marshall archipelago, and an island 10/ at the south end of the atoll. Used by Japanese armed forces before the declaration of war in 1941, the atoll was taken in February 1944, after fierce fighting by United States troops which have since occupied several of its islands, including Kwajalein, South and North Loi, Ebeye and Roi-Namur (Ruot-Nimur-Enedrikdrik). On 9 February 1964, a contract concluded between the Trust Territory (with a subrogation option in favour of the United States) and the traditional owners regularized the

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10/ Whether or not entirely surrounded by water, any part, however small, of an atoll is called an "island" if it constitutes a geographical entity; thus, there are 96 "islands" on Kwajalein Atoll.

situation of those five islands, with the exception of Roi-Namur. This was against payment of the sum of $750,000, or approximately $1,000 per acre, and, in return, a 99-year lease 11/ was granted, with the proviso that upon the expiry of each five-year period it could be terminated if the Administration no longer needed the land. In addition, during the period of the lease, landowners were to be permitted to visit their lands, subject to written authorization. Lastly, under the agreement, the Administration had to pay a special compensation to a landowner if, after having authorized him to harvest his crops, they were subsequently destroyed. The landowners stated explicitly that they had accepted the agreement because they hoped that the United States Government would improve the economic and social conditions of the Marshall Islands people, particularly those on Ebeye.

481. On 7 October 1963, the islands of Meik, Ambo (Legan) and Nene (Ningi), which had not been occupied previously, were leased on the same terms but at the rate of $500 per acre. Certain parts of the island of Ennylabegan (Carlos), which were occupied on 11 July 1960, were the subject of a High Court decision of 20 May 1963 granting the Territory (which immediately transferred its rights to the United States) indefinite user rights against payment of a sum of $500 per acre. Gagon and Illigini were leased for 25 years at the rate of $1,000 per acre in 1968 and 1969 respectively.

482. The case of Roi-Namur, involving 420 acres, has not been settled. The United States authorities, believing at the outset that the Japanese administration had paid for the lands, learnt in 1965 from the Administrator of Lands that that was not the case. Negotiations were then begun with the owners, and, in 1970, a Honolulu valuer informed the United States Department of Defense of his assessment of the sum to be paid for the 25 years of previous occupation and the 25 years of remaining lease time. After a delay of two years, during which the traditional chiefs threatened in vain to return to their island, on 2 September 1972 the Congress of Micronesia adopted a resolution requesting the United States Army to pay "immediately just and due compensation" (see T/COM.10/L.88). Talks were subsequently resumed. A United States offer (reportedly of $500 per acre) was rejected and a much higher counter-suggestion (reportedly $4,000 per acre) was proposed by the landowners. According to Representative Balos, the landowners would not accept the Kwajalein rate of $1,000, because that would "leave each landowner only 7.50 dollars per year". At the time of the Mission's visit, these discussions, about which the parties gave no details, were still in progress. Representative Balos, who called on the Mission about this subject, has become the advocate for the owners. He stated that the former inhabitants of Roi-Namur had had to settle either on Ennebuir, which was empty but too small for them and, in any case, belongs to third parties, or on various other islands of the atoll, particularly Ebeye.

483. Complaints were made to the Mission, notably by Iroij Kabua, concerning the islands of Eniwetak, Omelek, Gellinam and Gujigu, which were also occupied first by the Japanese and then by the United States military authorities without

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11/ In the case of Ebeye, the lease related to the entire island for the period 1944-1964, but after that only to lots actually occupied by the Administration.

compensation. In fact, the first three were apparently the subject of a provisional judgement of 2 April 1966 ordering the Territory to deposit $27,000, or a little less than $1,000 per acre, but apparently no final decision has yet been taken.

484. Since 1964, Kwajalein has been used by the United States armed forces as a missile range. A military base, scientific and technological services and housing and installations for a population of approximately 5,000 have been established on Kwajalein Island. The firing range section of the atoll is a long rectangle of 31 by 180 nautical miles, which traverses it in a north-west/south-east direction, excluding only the northern and southern tips. This is known as the mid-atoll corridor. The 11 inhabited islands in the firing range were evacuated before the beginning of the tests as a precaution, the military authorities having preferred evacuation to the construction of shelters. One hundred and fifty-eight persons were displaced and settled in new housing on Ebeye. In compensation, the United States Army, acting through the Trust Territory, constructed housing for them and promised to improve sanitary conditions on Ebeye. In addition, pursuant to an agreement of 8 December 1970, it paid those concerned, who were represented by their chiefs, "in compensation for all damage suffered", an amount of $420,000 per year. Lastly, it authorized the inhabitants to return to their islands at certain periods of the year in order to harvest their crops and it purchased a boat for this purpose. In our discussions with the people on Ebeye, several speakers complained that conditions on Ebeye were unsatisfactory and that they had to spend much more than the amounts they had received in compensation in order to survive.

485. The island of Ebeye deserves special consideration. It is part of the atoll and 20 minutes by motor-boat from Kwajalein. Ebeye serves as a refuge for evacuees from the mid-atoll corridor and as a dormitory town for the 700 workers who go to the base every day. Its population has grown from 2,800 to 5,500 since the tests began. The surface area of Ebeye does not exceed 76 acres, 15 of which are occupied by a Coast Guard station. The Administration has constructed a 20-bed hospital (the new building designed to replace the old hospital which the Mission visited is not yet completed), low-cost housing, drains and schools (including an excellent kindergarten). Unfortunately, because of overcrowding and particularly by contrast with its neighbour island, Ebeye is a dismal and depressing sight, a slum occupying the whole of a Pacific island.

486. The erection of a network of military installations on Kwajalein Atoll has unquestionably brought employment to a population greatly affected by the decline in the world price of copra. High wages on Ebeye are, however, accompanied by an exceptionally high cost of living. The existence of the installations certainly gives rise to social problems; but having discarded their traditional way of life, it would be difficult for many of the people of Ebeye to return to subsistence living on their home islands. Any reduction or removal of the installations should therefore be planned well in advance.

487. Something must clearly be done to improve conditions on Ebeye. We understand that the Coast Guard station is to be closed down. The sooner this takes place and the land occupied by it is made available for public use the better. But this may not be enough to relieve the overcrowding. We learned with satisfaction

that a town plan had been prepared for the island of Carlson where, in addition, a start has been made on pig and poultry breeding. The island can, however, support only 450 persons and that is not enough to relieve Ebeye's burden.

488. As regards Roi-Namur, we trust that an equitable solution will soon be found to this 30-year-old case and that account will be taken of the length of the occupation and the rise in the cost of living since 1964. In addition, the traditional landowners should, for their part, cease to regard the letting of land as the principal source of income in the archipelago. Our comments on Roi-Namur apply to those other islands whose status has not yet been regularized. It is abnormal that a provisional judgement in 1966 should not have been followed by a final decision by 1973. Lastly, to the extent that it applies to persons who had to leave their islands against their will, the contract concerning the mid-atoll corridor seems to have been prepared with a real desire to reduce and compensate for the damage sustained.

3. Retention land

489. The land occupied by the United States armed forces in Micronesia is called "retention land", a term which causes confusion. Actually, apart from the special areas in Marshall Islands District, it consists of about 9,000 acres on Tinian, or approximately one third of the island, and nearly 5,000 acres, including the airport, on Saipan. This land was leased in July and August 1944 for an indefinite period, at the rate of $40 per acre, the amount involved being paid into a trust fund. Under an agreement of 23 December 1955 between the United States Secretaries of State, the Interior and the Navy, the Secretary of State undertook on behalf of the Trust Territory to obtain for the United States armed forces any land which they might need "provided that the use thereof is in conformity with the purposes of the Trusteeship Agreement".

490. During its visit to Saipan, the Mission heard two kinds of criticism concerning retention land. The first was that, although such land had been reduced in area in recent years, it was still excessive. The second was that the money in the trust fund had been used for budget appropriations - for example, for the construction of a hospital - and not for the direct benefit of the original owners. In Tinian, the Municipal Council submitted a resolution urging the United States to return "all land which might be suitable for agricultural development". However, it also expressed the desire that a military base - but not a munitions dump - should be set up on the island, because it would bring economic prosperity to the population.

491. The Coast Guard's primary function in Micronesia is as part of the network of loran stations. 12/ There are loran stations on Eniwetok, Yap, Ebeye, Angaur and Saipan. The Mission received contradictory complaints concerning the Coast Guard: on Ebeye, there were objections to its unnecessarily occupying a large part of the island, while, on Angaur, people expressed regret that it was preparing to leave.

12/ A system of long-range navigation stations.

492. We consider that it is now time for the Administering Authority to decide whether it still needs to retain land for possible military use, and if so how much, and then it should relinquish the rest. It is certainly surprising that, nearly 30 years after the end of the war, the Navy or the Air Force should tie up large areas of land on the pretext that they might some day be of use to them. With regard to the Coast Guard stations, we understand that all or most are to be withdrawn; land occupied by them will then presumably be returned to the Territory for public use. We hope that the Administering Authority will be able to inform the Trusteeship Council at its fortieth session that this will be done.

493. We do not wish to express any opinion on the strategic Trusteeship System under which Micronesia was placed. The people of Micronesia, having been involved without their consent in one war, were then put under the International Mandate System of the League of Nations, subsequently were involved in another war and finally were put under the International Trusteeship System of the United Nations. By 1973, they had still not been fully compensated for the damage sustained, during either the first or the second period. We believe this particular legacy of the past should be liquidated without delay.

CHAPTER VII

FUTURE STATUS

A. Background: the Territory as a whole

494. Less than two years after its creation, the Congress of Micronesia petitioned the President of the United States, on 9 August 1966, to establish a commission to consult the people with a view to ascertaining their wishes on the future and to report on the subject by the end of 1968. The following year, a presidential message proposed the establishment of a commission to recommend the best means of allowing the inhabitants to express their views freely and called for a plebiscite by 30 June 1972. At the same time (August 1967), the Congress established the Future Political Status Commission. On 17 April 1969, the Commission released a "Statement of Intent" recommending the establishment of a self-governing State which would negotiate with the United States a permanent free association; if those talks should fail, the solution would be independence, which was regarded "not as an alternative but as the only goal left open". The Commission's report, three months later, followed the same lines and stated that the option for independence presented as "a second alternative" would no doubt find better acceptance with the United Nations than any other. The United States Government, for its part, expressed the idea that the future status of Micronesia should be worked out by a group of members of the Congress and representatives of the United States.

495. On 29 August 1969, the Congress of Micronesia established a Political Status Delegation, consisting of 10 members, to seek an early resolution of the problems, separately or in connexion with United States legislation (the options being association or independence). The Delegation began its talks at Washington, D.C., the following month with the United States Department of the Interior. It was unable to reach agreement with the Department because of a dispute over the use of Micronesian land for military purposes. In January 1970, at Saipan, the Delegation rejected a draft United States bill which would have made Micronesia an "unincorporated territory" like Guam. Four months later, again at Saipan, there was further disagreement: the United States delegation rejected the Micronesian proposals concerning free association and independence, while the Micronesians considered a plan for Commonwealth status to be inadequate.

496. In March 1971, the President of the United States decided that the talks should be resumed on a new basis; they would be conducted on the United States side, not by the Secretary of the Interior but by his special representative, Mr. Franklin Haydn Williams. In October 1971, Mr. Williams held meetings at Hana, Hawaii, with the new Joint Committee on Future Status established by the Congress of Micronesia. He agreed to discuss the subject on the basis of "free association" and submitted a proposal for a draft compact which would, inter alia, recognize the right of Micronesia to adopt its own constitution and, where land was concerned, reserve for the United States certain lands. A wide degree of understanding was reached, but important questions such as nationality, the movement of persons, the conduct of foreign policy, the return of military land to the Territory's control and the procedure for the termination of the compact were left unsettled.

497. In Koror, however, in April 1972, the goal appeared to be within reach. It was agreed that the compact could be terminated after a certain number of years, the Micronesian Government would be able to participate in regional organizations and would be consulted on international matters directly in its interest, and, before the compact was signed, the amount of land to be retained by the United States would be settled and a mutual security pact which could not be terminated unilaterally would be negotiated.

498. The fifth round of talks, at Washington, D.C., in July-August 1972, confirmed the favourable impressions of the previous spring; the two delegations agreed on the preamble and the first three titles (internal and external affairs and defence) of a "tentative preliminary" text incorporating the points agreed on by the parties at the Koror talks.

499. However, in the sixth round of talks at Barbers Point, Hawaii, in October 1972, Mr. Williams and the representatives of Micronesia parted after deciding to suspend the discussions for a time and to remain in communication on the question of further action. What happened? In August, the Congress of Micronesia, meeting in special session, adopted resolution No. 117 instructing its Joint Committee on Future Status to negotiate with the United States concerning the establishment of an independent Micronesia while at the same time continuing the discussions on free association. The Joint Committee complied with those instructions. The United States then took the view that this new attitude raised the issue of what an agreement between the two delegations amounted to, and said that the United States would have to reconsider its position if the objective of free association was no longer accepted by the Joint Committee. The Micronesian side replied that, when two negotiators agreed on a text, they still had to obtain ratification of it from their principals. Moreover, when a people was consulted on its future through a referendum, it should be given a choice between two alternatives; nevertheless, free association was still the principal objective, independence being only an alternative in case a compact of free association should prove unacceptable to the Micronesian people.

500. The discussions have not been resumed since October. However, Mr. Williams and his staff shortly afterwards opened talks with the Marianas on the question of their secession. The United States representatives explained that the initiative now lay with the Micronesians, who should indicate what independence meant for them in practice.

501. In addition, the process of preparing the Territory for self-determination was interrupted. At the special session of the Congress of Micronesia, a sub-committee of the Joint Committee on Future Status submitted a report entitled "Micronesia, a New Frontier" which, looking towards free association, recommended the formulation of a transitional political and economic programme spread over three years, up to July 1975, including the establishment of an "office of transition". The report also suggested the establishment of a commission on national unity and the convening of a constitutional conference. Three bills were drafted to give effect to these suggestions, but none of them was adopted by the Congress, either in August 1972 or in February 1973, although the High Commissioner and the President of the Senate (and also Mr. Williams) emphasized the importance and urgency of convening the constitutional conference. The reason given for this

surprising setback was that passage of the bills would have cost the budget $700,000. A compromise, namely the establishment of a preparatory committee for the constitutional conference at a modest cost of $50,000, was rejected by the sponsors of the bills, who were in favour of all or nothing.

502. The Mission attended a meeting of the Senate and House of Representatives of the Congress of Micronesia and had a working session with the Joint Committee on Future Status, which stated that its basic objective was "to carry through to completion the discussions on the compact of free association, if that was possible".

503. Throughout its travels, the Mission, both at public meetings and in talks with individuals, elected or otherwise, sought the views of the people on the future of the Territory. In general, all except the students at the University of Guam were somewhat reluctant to volunteer opinions on this subject. Nevertheless, the Mission was eventually able to gather a number of viewpoints. In every district, it found advocates both of independence and of the status quo; many speakers, on the other hand, said that they did not fully understand what was meant by "free association". Of those who favoured independence "because it is good", because "everyone should be independent", some believed that independence would force the people to revert to a subsistence economy and others that it would arouse their energy. The Mission was often asked whether the United Nations would be able to help an independent Micronesia. The Nahmwarkis (traditional chiefs) of Ponape said that they were in favour of independence, which would enable them to recover their former powers, including powers with regard to land. Advocates of the status quo generally stated that before attaining self-determination, Micronesia should make much more substantial economic progress. Some simply wanted the continuation of a United States administration which they appreciated. Most speakers complained of not being sufficiently informed of the status of the negotiations on the future, either by the Administration or by members of the Congress. Several of the latter retorted that they had tried, despite material difficulties, to arrange meetings with their constituents on the question but had not been very successful; others acknowledged that they had not reported fully to their constituents.

504. As indicated above, the discussions on the future of the Territory have been seriously affected by disputes over land problems. The United States Government maintains the view that it must retain some military sites in Micronesia and perhaps acquire additional sites in the future, especially on Palau. The latter plan was strongly criticized by everyone from Palau whom the Mission met outside their district. On Koror itself, on 20 November 1972, 50 chiefs and elected representatives signed a statement asserting "that the people of Palau did not want any installations on their lands, since they would cause human suffering". On 20 December, Mr. Williams went to Koror, where he met the two local high chiefs, the Reklai and the Ibedul, who took a compromise position. They "refuse to consider any plan for the use of their land by the Army so long as there had been no satisfactory solution to the dispute concerning lands taken by foreign individuals or Governments". (This was a reference to public land in Palau District which, as elsewhere, is controlled by the Trust Territory Government.) This was stated in a letter handed to the Mission on 23 February 1973. Many of the persons whom the Mission met on Palau opposed the plan for acquisition of land

by the United States armed forces (which would consist of three parcels, including a firing range, covering a total area of 32,000 acres), but the most common viewpoint was that the question could not be considered until the general question of land ownership had been disposed of.

B. Background: Mariana Islands District

505. When the first Visiting Mission went to Micronesia in 1950, the people of the Marianas informed it of their desire to become United States nationals. Since that time, they have constantly indicated that they wished to maintain a close relationship with the United States. On 5 February 1961, they held an unofficial poll which produced 1,557 votes for union with Guam and 818 for annexation by the United States, while only 21 preferred the status quo. The Visiting Mission which arrived in the Territory shortly afterwards received two petitions: one from persons of Carolinian origin in the Marianas who were opposed to unification with Guam; the other from the local legislature favouring unification. The results of a second poll were submitted to the 1964 Visiting Mission; of 1,886 persons who voted, 1,231 desired unification with Guam. Further polls were held in 1967, 1968 and 1969. The last produced the following results: for unification, 1,942; for the establishment of a Micronesian associated State, 1,116; for becoming an unincorporated territory, 107; for independence, 19. Since then, the Marianas have regularly sent petitions and petitioners to the Trusteeship Council as a token of their wish to be distinguished from the rest of Micronesia. In 1971, a survey made by the elected representatives of the Marianas is said to have shown that the inhabitants of the district wanted a "political union" with the United States. The Joint Committee on Future Status gave the view that it would not object to a political union encompassing the Mariana Islands if that union reflected the freely expressed wishes of the majority of the population. At the talks on the future of the Territory on Koror in April 1972, the members of the Joint Committee on Future Status from the Mariana Islands, in a statement of position, requested separate discussions with the United States, and their colleagues agreed that their request might be transmitted to the United States delegation. It was accepted immediately by the United States, subject to negotiations at a later stage. A week later the elected representatives of the Mariana Islands announced the establishment of their own status commission, which was actually set up by Law No. 2, 1972 of 18 May of the Mariana Islands District Legislature, while Senator Edward DLG. Pangelinan and Representative Herman Q. Guerrero went to United Nations Headquarters to put their case to the Trusteeship Council. They argued that commonwealth status would best suit the people of the Marianas, who, in accordance with United Nations resolutions, should be allowed to constitute separately a "political union" with the United States.

506. On 13 December 1972, while the negotiations concerning Micronesia were in suspense, talks began between Mr. Williams, Personal Representative of the President of the United States, and the "Marianas Political Status Commission", composed of members of the Congress and of the legislature, municipalities, parties and commercial enterprises. Senator Pangelinan, the spokesman for the Commission, was much less explicit than in the past concerning the future status of the secessionist district and spoke of a status of "close association", without indicating any

preference for the status of a "commonwealth", "unincorporated territory" or anything else. Where government land and retention land were concerned, he suggested that such lands should first be returned to the "government of the Mariana Islands" and might later be the subject of negotiations for the installation of military bases "socially integrated with the Marianas". He made no further mention of a union of his district with Guam. Mr. Williams, for his part, expressed his awareness of the importance to the Marianas of talks on how they would govern themselves within the United States system.

507. The talks are scheduled to resume as this report is being drafted.

508. During its visit to the five other districts, the Mission asked the people it met what they thought of separation for the Marianas. There was almost unanimous opposition to it. Some speakers even reproached the Trusteeship Council for not having condemned the Marianas separatist movement strongly enough. Others, who favoured free association for Micronesia, considered that the adoption of such a régime might perhaps induce the Mariana Islanders to remain within the Trust Territory. Quite a number of others said that if the Mariana Islands were authorized to follow their own path, every other district should be allowed to do the same. Speakers at Saipan and Tinian and students from the Marianas in Guam were in favour of separation. The "Marianas Political Status Commission" informed the Mission that it had asked experts to examine the economic consequences for Saipan of the separation of Mariana Islands District (and of the departure of the High Commissioner and his staff and services). At Rota, the speakers were more interested in their grievances against Saipan than in separation, but the Mayor of Rota later wrote to the Mission informing it that he supported the separation movement and wished for "close association with the United States". During the Mission's stay in the Territory, the Congress of Micronesia adopted resolution No. 38 according to which it was "the only authority in the Territory that is legally entitled and able to conduct negotiations, through its Joint Political Status Committee". The "Marianas Political Status Commission" retorted by sending the Mission a study by a lawyer which reached exactly the opposite conclusion. The Mariana Islands District Legislature also rejected the view of the Congress.

509. Mr. Williams, with whom the Mission had a talk on 14 March, said that the resolution of the Congress had been adopted by a minority of its members. It would be given serious consideration but would not affect the position of the United States because the inhabitants of the Mariana Islands had the right to self-determination and article 6 of the Trusteeship Agreement recognized the existence of ethnic differences. He said that in an important sense, the word "Micronesia" was only a geographical term. Although he expressed the hope that a common solution would be found for all the districts, he went on to say that preliminary steps would be taken to assist Mariana Islands District to become a separate entity.

C. Future status for the Territory as a whole

510. The talks on the future of the Territory have been going on for more than three years. That means, first, that a special effort should be made to bring them quickly to a close and, secondly, that while the talks are going on, the political advancement of the Territory should be neither interrupted nor slowed down. In that connexion, the undersigned members of the Mission recall that countries which were formerly under trusteeship were usually given self-government progressively during the years preceding the formal act of self-determination.

511. Regarding the options open to the Micronesians, it is noteworthy that the members of the Joint Committee on Future Status would like to continue their talks with a view to establishing and drafting a compact of free association, an objective which has been accepted by the United States and already partly attained. We note that if an agreement is reached, it will be submitted for approval in the usual way to the President and Congress of the United States and to the Congress of Micronesia. None of the negotiators can commit himself in advance to obtaining that approval.

512. In our opinion, it is implicit in the Charter and in the Trusteeship System that the goal is eventual independence unless agreement is reached on some other status acceptable to the people of the Territories concerned through an act of self-determination. Micronesia is no exception to this rule. That being so, if one of the parties concerned wishes to discuss the question of independence as one possible option, the other should be prepared to join in such a discussion. What either party sees as the conditions which should or might apply in an independence situation would naturally emerge from these discussions. There should be no insistence by one on getting an explanation of how the other party sees those conditions, before agreeing in principle to discuss the option.

513. We are not in a position to make any specific recommendations as to which future status might be most suitable for Micronesia. The Micronesians must decide this for themselves. We are convinced, however, as has been indicated in chapter II on political advancement, that there is a need for a greater and more concerted effort of political education so that the Micronesian people will have a much better understanding of the possibilities open to them and of the choices which have been made by other peoples in like circumstances at other times. We believe also that the Micronesians must be able to see more clearly the economic prospects likely to be open to the Micronesian State in the future. They must therefore be informed at an early stage about the level of United States financial support likely to be available given different decisions on status. It also means that they must have some idea of what support is likely to be available from the international community (cf. chapter III on economic advancement).

514. Whatever solution is finally adopted, it is important that the basic issues, including the question of which lands, if any, will be retained by the United States as military retention lands, should be settled before the Trusteeship Agreement comes to an end. It may be legitimate to say, as the United States representatives did at Barbers Point, that "the circumstances which led to the Trust Territory's designation

as a strategic trust will continue to exist whatever its future status might be". 13/ But this is so only in the sense that, because of its geographical location, Micronesia may continue to be of substantial interest to the United States and other Powers. Naturally, when the Trusteeship Agreement comes to an end, the idea of a strategic zone in the sense used in the Charter vanishes at the same time. The fact that Micronesia was designated a strategic zone under the Trusteeship Agreement does not, in our view, in any sense derogate from the basic objectives of the Trusteeship System. In this context, the Mission regrets that it was not given any information on plans for the use of land on Palau for military purposes. It strongly recommends that no land should be ceded, either provisionally or definitively, without the agreement of the people concerned. Nevertheless, it considers that the people should remember that public land belongs to the Territory, that is to say, to the people of Micronesia, and not to the Administering Authority.

D. Question of the Mariana Islands

515. The residents of the Mariana Islands express their determination to follow a different path from that of the rest of Micronesia with great conviction. There are undoubtedly many different reasons why they wish to retain a closer association with the Administering Authority than the other districts of Micronesia, although we could not but conclude that the principal reason had to do with the material attractions of the American way of life, particularly as observed by them in Guam. Also we could not but note that the people of the Marianas, largely because of the location of the Administration Headquarters, have been favoured ever since the Trusteeship Agreement was signed and have better roads, better housing and better schools than the other Micronesians.

516. No purely ethnic argument can be seriously advanced in support of separation. Of course, the Chamorros are not identical with the inhabitants of the Marshall Islands; nor are the latter the same as the residents of Yap and Ponape. Acceptance of the Mariana Islands argument would mean acceptance of the fragmentation of the Territory. Moreover, the United Nations has consistently opposed in principle the fragmentation of dependent Territories on tribal or regional lines. This is exemplified by the case of Namibia. In all other Trust Territories it has recommended that the Administering Authority should emphasize the unity of the country in order to overcome racial or regional cleavages. In the two instances when Trust Territories were divided, this was done only after a territorial referendum had taken place.

517. A feeling of kinship exists between Guam and the other Mariana islands, but it is less talked about now than it used to be. Of course, the Guamanians and the inhabitants of Saipan are kin; of course, any Mariana Islander who leaves his island must stop at Guam (this will be less so after the direct route from Saipan to Tokyo is opened); but in Guam there are still some who remember that,

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13/ Future Political Status of the Trust Territory of the Pacific Islands, Proceedings of the Sixth Round of Negotiations, Oahu, Hawaii, September 28 - October 6, 1972, p. 6.

during the Japanese occupation, 1941 to 1944, the behaviour of many of the inhabitants of Saipan towards the Guamanians was not exactly one of kinship; and there seem to be a good many others who treat their poorer and more backward northern neighbours condescendingly; some are afraid that Saipan will one day be a rival of Guam and may even be the winner in competing for the tourist trade; lastly, still others who would like to see Guam become a state of the federation or a commonwealth in the near future, would view the union of their Territory with the Marianas as an obstacle. In Saipan, there are some who feel also that if they do not unite with Guam, the northern Mariana Islands will receive more financial and economic aid from the United States and doubtless from Japan as well.

518. It is arguable that the separation of the Mariana Islands may have certain advantages for the Administering Authority. Up to 1972, the United States firmly resisted all pressure from the separatists. However, when the Congress stood firm on free association and the possibility of unilateral termination as a minimal negotiating position, the United States representative agreed to negotiate with the "Marianas Political Status Commission" while postponing their talks with representatives of the Congress of Micronesia. The United States also appears to be envisaging preliminary measures to be taken in the near future preparatory to the separation of the Mariana Islands, even before the termination of the Trusteeship Agreement.

519. We certainly cannot deny that the great majority of the Mariana Islanders are in favour of separation. It is obvious to anyone observing the situation there. But we wonder whether it is necessary as yet to assume that a form of agreement on the future status for Micronesia as a whole cannot be negotiated which will in the end prove acceptable to the Marianas. We are aware of the fact that the Mariana Islands District is the most privileged district of the Territory and that its separation from the rest could in some respects prove a disadvantage to the other districts. We are not aware of any studies which the Administering Authority has done on this aspect of the question, one which seems to us to be extremely important. We do not find in the Trusteeship Agreement anything which authorizes the population of a part of the Trust Territory to set up its own distinctive political organs - and, even less, to enter into separate negotiations about its future with the Administering Authority. The place where the problem of the Mariana Islands should be discussed is in the Congress of Micronesia and in its Joint Committee on Future Status, where all the districts are represented equally. 14/

520. We recognize the need to be realistic. The movement in favour of separation has gone a long way. It is a pity that the Administering Authority did not do anything significant to check it long ago. But, especially as the inchoate view of possible relationships between the Marianas and the United States put forward by the leader of the Marianas negotiating team last December, may not after all be

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14/ The Committee is now practically indistinguishable from the Senate: 10 out of the 12 senators are members of the Committee, which includes only two members of the House of Representatives.

so far removed from the views of the Joint Committee on Future Status about Micronesia's relationship with the United States, it seems to us imperative that the separation of the Marianas should not yet be taken as a foregone conclusion. We believe that further talks with the Marianas should be held over until the position between the United States and the Congress of Micronesia has been further defined. We believe that the Congress should take more account of the views of the Marianas, and we would hope that with compromise and goodwill it might prove possible to narrow the gap between the various viewpoints.

521. It may be that a status for Micronesia as a whole will be agreed between the Congress and the United States which will be generally acceptable to the Marianas, except in regard to the provision for unilateral termination. (It should be remembered that the Marianas representatives still participate in the work of the Joint Committee on Future Status.) If that should be the case, it would seem to us more sensible for the Marianas to accept such a status for themselves as a continuing part of Micronesia with the proviso that, if a majority of districts should at a later stage decide to exercise the right of unilateral termination, the Marianas (or any dissenting district) should be free not to apply that decision to itself.

522. Alternatively, if an arrangement is negotiated for Micronesia which is satisfactory to the Congress (as well as to the United States) but not acceptable to the Marianas, it would appear likely that, at this stage, the Congress, recalling its past opinions on the subject, would be ready to accept the inevitability of a separate status for the Marianas. There would then be constitutional propriety in the secession.

523. To continue the separate talks further to a definite agreement on separate status for the Marianas at this stage would destroy the prospect of achieving any compromise solutions of this kind. Accordingly, we believe that for the time being they should be stopped.

524. We also recommend that if the outcome of the negotiations makes it clear that the Mariana Islands can no longer be part of Micronesia after the formal act of self-determination, precautionary measures should be taken promptly to ensure that the rest of the Territory does not suffer from the separation and that, in particular, the centres of communication, transport networks and the general administrative apparatus in Saipan should be smoothly transferred elsewhere and, until so transferred, should continue to provide the five peripheral districts with the services that they are entitled to expect.

E. Conclusion

525. In view of the slowness with which the talks are progressing, it is unlikely that the formalities for ending the Trusteeship Agreement can be completed for another two or three years. In these circumstances, as stated above, we recommend that transitional measures giving the Territory a greater measure of self-government should be taken without delay and that other measures should be adopted subsequently

if the negotiations are slow in coming to an end. Although it is for the people themselves to decide on their future form of government, we believe that, because of its geography, Micronesia needs a decentralized political structure, with the district authorities having wide powers within the framework of a "mini-federation", possibly with some prior revision of district boundaries. Although thé Mariana Islanders seem determined to separate whatever happens and they would benefit most from continued centralization, this change might help to protect the unity of the Territory.

526. The Mission became aware, as is noted elsewhere in this report, of centrifugal tendencies in other districts, especially in the Marshall Islands and in Palau. After it left Micronesia, it learned that a separate future status negotiating commission had been set up by the District Legislature of the Marshall Islands, and that the Palau District Legislature was contemplating similar action one year from now. It is therefore a matter of urgency that the Congress, the Administration and the Administering Authority give the most serious attention to the question of the unity of the Territory. They should refuse to allow the course of events which the inactivity, indecisiveness and failures of the past have set in train to continue unchecked without the most earnest and serious examination of whether that course will or will not benefit the people of Micronesia, both severally and as a whole.

ANNEXES

Annex I

LIST OF WRITTEN COMMUNICATIONS RECEIVED BY THE VISITING MISSION DURING ITS VISIT TO THE TRUST TERRITORY

1. During its visit to the Trust Territory, the Mission received a number of written communications. Some of these were also addressed to the Trusteeship Council and were subsequently circulated to members of the Council in documents T/COM.10/L.96 to 99 and T/PET.10/72.

2. Under rule 84, paragraph 2, of the rules of procedure of the Trusteeship Council, the Mission decided that the other communications which it had received were intended for its own information. A list of these communications is given below.

A. Communications referred to in chapter I of the present report

Communication from Mr. Ataji Balos, Representative, Marshall Islands District, Congress of Micronesia (para. 25)

Communication from Mr. Alex Phillip and 40 university students from Kusaie, Ponape District (para. 50)

Communication from Moen landowners, Truk District (para. 53)

Communication from Mr. Hayashi Naka, Legislator, on behalf of Dublon landowners, Truk District (para. 64)

Communication from Mr. Hayashi Naka, Legislator, on behalf of the people of Dublon, Truk District (para. 64)

Communication from Mr. Rinis Hamo, Chief of Mwan Village, Truk District (para. 69)

Communication from Mr. Masaichy Eilat and others, Truk District (para. 69)

Communication from Mr. Alfonso Utto, Assistant Magistrate, Fefan Island, Truk District (para. 71)

Communication from High Chiefs Reklai K. Lomisang and Ibedul Yano Takeo, Palau District (para. 78)

Communication from the Student Council and supporting teachers, Palau High School, Palau District (para. 80)

Communication from Mr. Ronald Sakuma, Chairman, Resources and Development Committee, Palau District Legislature (para. 83)

Communication from Mr. Surangel Whipps, Manager, Palau Fishermen's Cooperative, Palau District (para. 88)

Communication from the Palau Tourist Commission, Palau District (para. 88)

Communication from the people of Peleliu, Palau District (para. 91)

Communication from the Mayor of Tinian consisting of 10 resolutions adopted by the Tinian Municipal Council, Mariana Islands District (para. 129)

Communication from the Micronesia Legal Services Corporation enclosing House joint resolution No. 26 of the Congress of Micronesia (para. 133)

Communication from the Senate, Congress of Micronesia, enclosing Senate joint resolution No. 3, H.D. 2 (para. 133)

Communication from Micronesian students at the University of Guam (para. 144)

B. Other communications

Copy of a letter from Mr. Linus Ruuamau, President of Yap Nature Life Garden, Inc., addressed to the District Administrator of Yap, concerning tourist and sightseeing operations in Cho'ol and Walay villages, Yap Island

Communication from Mr. Norman J. Quinn, Peace Corps volunteer serving in Saipan, concerning the merits of including similar volunteer organizations from other countries to serve in the Territory

Communication from Mr. Dino Jones, former teacher in Mariana Islands District, concerning education in the Territory

Communication from Mr. Edward DLG. Pangelinan, Chairman, Marianas Political Status Commission, on the subject of the legal capacity of the Commission to negotiate with the United States in reference to the future political status of the Marianas

Communication from Mr. Antonio Ca. Atalig, Mayor of Rota, supporting separate political status for Mariana Islands District and reiterating the desire of the people of Rota to establish a separate Rota district of the Trust Territory of the Pacific Islands

Communication from the House of Representatives, Congress of Micronesia, enclosing House joint resolution No. 57, by which the Congress resolved to extend its welcome to the members and staff of the 1973 Mission, and further resolved to extend its welcome to the United Nations Under-Secretary-General for Political Affairs and Decolonization

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3. As is noted in chapter I, paragraph 14, of the present report, copies of these communications are available for inspection in the files of the Secretariat of the United Nations.

4. The 1970 Visiting Mission to Micronesia printed as annexes to its report the various communications it received. The 1973 Mission considered doing the same. Members agreed that it would be invidious to print some and exclude others (because of length or because of specificity of subject matter - for example, communications relating to particular pieces of land). The Mission therefore considered the alternatives of printing all or none. In so doing it had in mind that other recent visiting missions did not print all the communications they received.

5. One member of the Mission felt that all communications should be printed. Had the body of the report been shorter he would have felt differently, but in the circumstances he considered the extra length which such printing would create should not be regarded as a deterrent.

6. Those signing this report were in principle disposed to agree with him. However, after considering the technical difficulties which printing all communications would have created and the need for the report to be published at the earliest date possible, they decided not to print any of the communications.

7. The Trusteeship Council may wish to decide to circulate some or all of them as documents of the Council at a later stage.

Annex II

ITINERARY OF THE VISITING MISSION

Date	Place	Remarks
24 January	Washington, D.C.	Meeting with representatives of the Departments of State, Interior, Defense (Civic Action) and the Peace Corps
		Meeting with representatives of the Office for Micronesian Status Negotiations
29 January	Honolulu	Arrived from New York
30 January	Honolulu	Call on Governor of the State of Hawaii, Mr. John A. Burns
31 January	Honolulu	Met Chancellor of the East-West Center, Mr. Everett Kleinjans, and academic staff
		Meeting with Micronesian students at East-West Center
1 February	Honolulu	Departed by air for Majuro, Marshall Islands. Crossed International Date Line
2 February	Marshall Islands Majuro	Arrived from Honolulu
3 February	Marshall Islands Majuro	Meeting with District Administrator and departmental heads
		Mission divided into two groups: one group visited the radio station and the hospital; the other group visited the port facilities
		Visited public high school and held meeting with students
		Met Representative Ataji Balos, Congress of Micronesia
4 February	Marshall Islands Majuro	Meeting with the Chamber of Commerce
		Meeting with the Municipal Council
		Departed by air for Kwajalein
	Kwajalein	Arrived from Majuro /3 February in Kwajalein where the Hawaiian date is used/
		Departed by ship for Rongelap

Date	Place	Remarks
5 February	Marshall Islands Rongelap	Arrived from Kwajalein
		Public meeting
		Departed by ship for Bikini Atoll
6 February	Marshall Islands Bikini	Arrived from Rongelap
		Toured Bikini Island
		Departed by air for Kwajalein
	Kwajalein	Arrived from Bikini /5 February in Kwajalein/
7 February (6 February in Kwajalein)	Marshall Islands Kwajalein	Departed by boat for Ebeye Island
	Ebeye	Visited public works, hospital, nursery school, public elementary school and mission elementary school
		Public meeting at Ebeye Community Center
	Kwajalein	Meeting with a traditional leader and members of the Nitijela (District Legislature)
8 February (7 February in Kwajalein)	Marshall Islands Kwajalein	Departed by air for Ponape
8 February	Ponape	Arrived from Kwajalein
	Kolonia Town	Meeting with District Administrator and heads of departments
		Meeting with Speaker, Vice-Speaker and Interim Committee of the District Legislature
		Meeting with the Nahnmwarkis (traditional leaders)
9 February	Ponape Kolonia Town	Mission divided into two groups: one group departed by car for Sokehs, Net and Uh municipalities; the other group departed by boat for Kitti Municipality
	Sokehs	Meeting with Municipal Council
	Net	Meeting with Municipal Council and general public

Date	Place	Remarks
9 February	Ponape	Meeting with Municipal Council and general public
	Uh	Returned to Kolonia Town
	Kitti	Meeting with community leaders, councilmen and the general public of Kitti Municipality
		Returned to Kolonia Town
10 February	Ponape Kolonia Town	Visited radio station, agricultural station and Micronesia Community College
		Meeting with Chief Magistrates of Ponape District
		Meeting with members of the Chamber of Commerce and businessmen
		Meeting with student representatives from Community College of Micronesia, Ponape Agricultural and Trade School, Ponape Islands Central School and Ponape Teachers Education Center
		Meeting with Mayor and members of the Council of Kolonia Town
11 February	Ponape Kolonia Town	Departed by boat for Madolenihmw
	Madolenihmw	Meeting at Ponape Agricultural and Trade School with members of Municipal Council and people of the municipality
		Visited Nan Madol ruins
		Returned to Kolonia Town
	Kolonia Town	Meeting with District Administrator and heads of departments
		Meeting with Chief Magistrate of Kusaie and Kusaians on Ponape
		Departure by air for Truk
	Truk Moen Island	Arrived from Ponape
12 February	Truk Moen Island	Meeting with District Administrator, heads of departments and senior staff

Date	Place	Remarks
12 February	Truk Moen Island	Meeting with Representative Sasauo Haruo, Congress of Micronesia, and others
		Meeting with Moen Municipal Council and traditional leaders
13 February	Truk Moen Island	Meeting with Truk District Legislature and Magistrates Council
		Visited public affairs, land management, fisheries and community action offices; Truk High School, Xavier High School, housing authority, radio station, agricultural station, co-operative and the farmers' market
		Meeting with students at Xavier High School
14 February	Truk Moen Island	Mission divided into two groups: one group departed by boat to Dublon Island; the other group departed by boat to Tol Island
	Tol	Meeting of community leaders and general public
		Visited elementary school, fish drying plant and junior high school
		Returned to Moen
	Dublon	Meeting with members of Dublon Municipal Council, community leaders and general public
		Visited the recently completed junior high school
		Returned to Moen
15 February	Truk Moen Island	Public meeting
		Visited Truk Hospital
		Meeting with students' representatives of Xavier, Truk and Moen high schools
		Meeting with Peace Corps volunteers
16 February	Truk Moen Island	Meeting with the District Administrator and heads of departments
		Meeting with petitioners
		Departed by air for Saipan
	Mariana Islands Saipan	Arrived from Truk

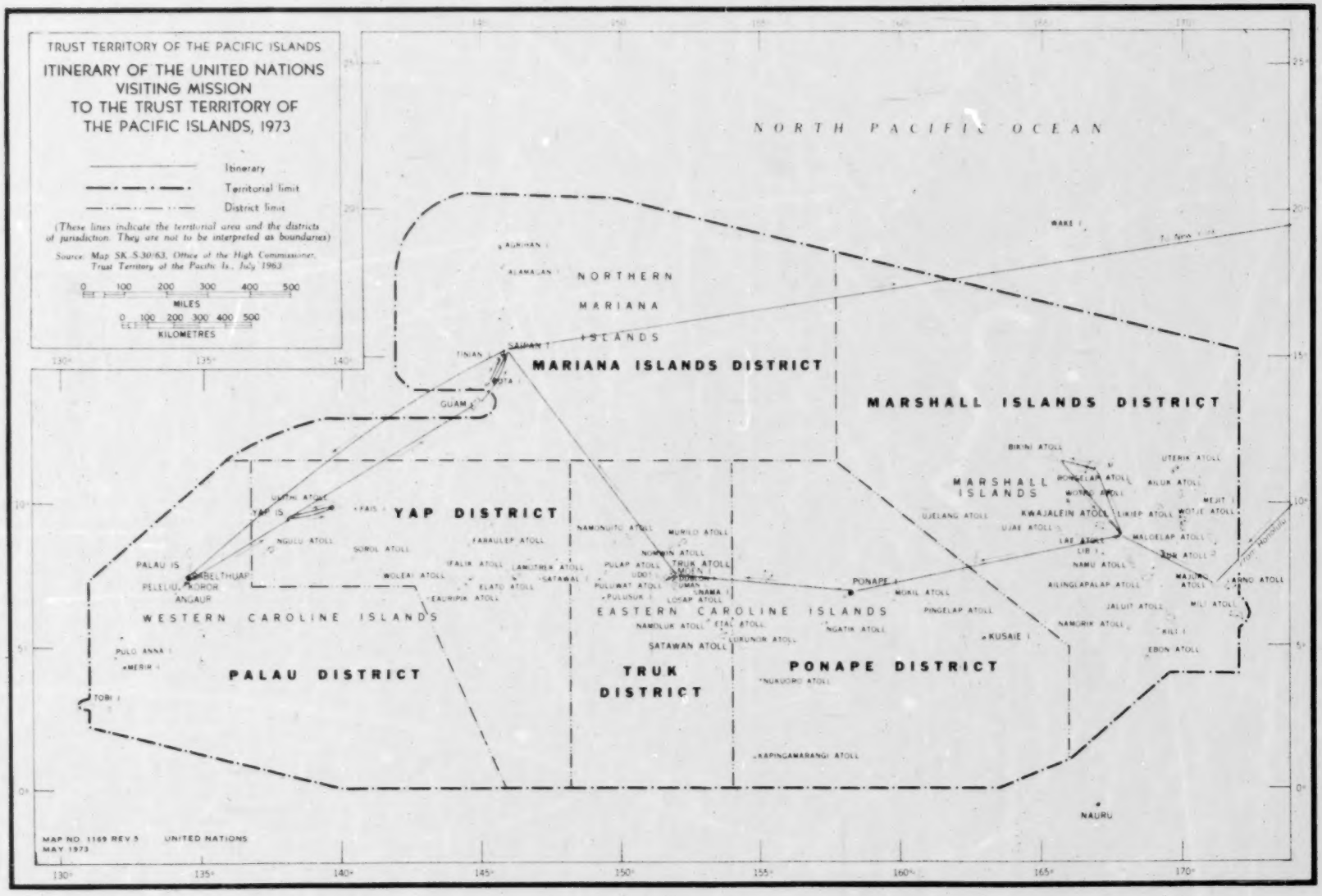
Date	Place	Remarks
17 February	Mariana Islands Saipan	Attended session of House of Representatives, Congress of Micronesia
"		Attended session of Senate, Congress of Micronesia
		Meeting with Joint Committee on Future Status of the Congress of Micronesia
18 February	Mariana Islands Saipan	Meeting with Chairmen of standing committees of the Congress of Micronesia
19 February	Mariana Islands Saipan	Departed by air for Koror
	Palau	Arrived at Airai airport, Babelthuap from Saipan
	Koror	Meeting with Deputy District Administrator, departmental heads and senior staff
20 February	Palau Koror	Meeting with the two High Chiefs, other municipal chiefs, Mayor and Magistrates, members of Koror Municipal Council and leaders of Airai Municipality
		Meeting with members of judiciary
		Visited Micronesian Occupational Center
		Meeting with student representatives from high schools and Micronesian Occupational Center
		Meeting with members of Executive Committee of Palau Legislature
21 February	Palau Koror	Mission divided into two groups: one group departed by boat for Eastern Babelthuap; the other departed by boat for Western Babelthuap
	Eastern Babelthuap Ngarard	Meeting with local and elected leaders and general public
		Visited elementary school and Mission High School
	Ngiwal	Visited elementary school
	Melekeok	Meeting with local and elected leaders
		Visited elementary school

Date	Place	Remarks
21 February	Palau	Meeting with local and elected leaders
	Eastern Babelthuap Ngchesar	Visited elementary school
		Returned to Koror
	Western Babelthuap Ngarchelong	Meeting with local and elected leaders
	Ngardmau	Meeting with local and elected leaders
	Ngaremlengui	Meeting with local and elected leaders
	Ngatpang	Meeting with local and elected leaders
	Aimeliik	Meeting with local and elected leaders
		Returned to Koror
	Koror	Meeting with members of the Palau Chamber of Commerce
22 February	Palau Koror	Departed by boat for Peleliu Island
	Peleliu	Visited the in-Territory ship repair and crew rotation facility
		Meeting with the Magistrate, councillors and public
		Returned to Koror
	Koror	Meetings with students of Mindszenty High School
23 February	Palau Koror	Visited museum, the Van Camp fisheries installations and jail facilities
		Mission divided into two groups: one group visited radio station, hospital, high school, Palau Community Action Agency, juvenile court; the other group visited Fishermen's Cooperative Association, port facilities, Boat Building and Drydocking Association, forestry station, Marine Biology Research Laboratory and Entomology Laboratory
		Meeting with Chief and people of Angaur, then on Koror
		Meeting with teachers of Koror
		Meeting with Deputy District Administrator and heads of departments

Date	Place	Remarks
24 February	Palau Koror	Departed by air for Yap
	Yap	Arrived from Palau
		Meeting with District Administrator and heads and senior staff of departments
25 February	Yap	Departed by air for Ulithi
	Ulithi Atoll	Arrived from Yap Islands
		Meeting with Outer Islands Chiefs
		Visited Outer Islands High School
		Meeting with students of Outer Islands High School
		Departed for Yap Islands
	Yap	Arrived from Ulithi
		Tour of Gagil-Tomil Municipality
		Visited Gagil-Tomil Elementary School
		Visited poultry farm
		Attended traditional Yapese Dance at Balebat, Rull Municipality, in honour of the Mission
26 February	Yap	Meeting with Yap District Legislature and magistrates
		Visited Yap High School
		Meeting with students of Yap High School
		Mission divided into two groups: one group visited radio station, Madrich (Outer Islands Community), hospital, Community Development Office, prison facilities; the other group visited the Agriculture Station, Yap Co-operative Association, Port facilities, Transportation Authority, War Claims Commission Office and Land Management Office
27 February	Yap	Tour of Yap
		Visited elementary school
		Meeting with Chamber of Commerce

Date	Place	Remarks
27 February	Yap	Meeting with chiefs, Magistrate and councilmen of Gilman Municipality
		Meeting with chiefs, Magistrate and councilmen, Kanifay Municipality
		Visited Kanifay Elementary School
		Meeting with chiefs, Magistrate and councillors, Southern Rull
		In Colonia, attended traditional Bamboo Dance in honour of Mission
28 February	Yap	Meeting with District Administrator and heads of departments
		Departed by air for Guam
	Guam	Arrived from Yap
		Meeting with Micronesian students at the University of Guam
1 March	Guam	Met Governor of Guam, Mr. Carlos G. Camacho
		Departed by air for Saipan
	Mariana Islands Saipan	Arrived from Guam
		Meeting with District Administrator and heads and senior staff of departments
		Meeting with Marianas Political Status Commission
2 March	Mariana Islands Saipan	Meeting with Mariana Islands District Legislature
		Meeting with Saipan Chamber of Commerce
		Meeting with Saipan Municipal Council
		Meeting with general public
3 March	Mariana Islands Saipan	Departed by air for Tinian
	Tinian	Meeting with Mayor, Municipal Council and people of Tinian
		Departed by air for Rota

Date	Place	Remarks
3 March	Mariana Islands Rota	Meeting with Mayor, Municipal Council and people of Rota
		Departed for Saipan
5 March	Mariana Islands Saipan	Meeting with High Commissioner and his staff
		Meeting with Chief Justice
		Meeting with Public Defender
6 March	Mariana Islands Saipan	Meeting with departmental heads and senior officials
7 March	Mariana Islands Saipan	Meeting with departmental heads and senior officials
		Mission concluded visit to Trust Territory and returned to United Nations Headquarters
14 March	New York	Meeting with the personal representative of the President of the United States for Micronesian Status Negotiations, Mr. Franklin H. Williams, the Deputy Representative for Micronesian Status Negotiations, and senior officials of the Department of State and the Department of the Interior



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Annex IV

RESOLUTION ADOPTED BY THE TRUSTEESHIP COUNCIL

2159 (XL). Report of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1973

The Trusteeship Council,

Having examined at its fortieth session the observations of the United Nations Visiting Mission to the Trust Territory of the Pacific Islands, 1973,

Having heard the oral observations made by the representatives of the United States of America,

1. Takes note of the views of the members of the Visiting Mission, set forth in document T/1748 a/ and in the course of the session of the Trusteeship Council, and of the observations of the Administering Authority thereon;

2. Expresses its appreciation of the work accomplished by the Visiting Mission on its behalf;

3. Draws attention to the fact that at its fortieth session, the Trusteeship Council took into account the recommendations and observations of the Visiting Mission and the observations of the Administering Authority thereon;

4. Decides that it will continue to take these recommendations, conclusions and observations into account in future examination of matters relating to the Trust Territory concerned;

5. Invites the Administering Authority to take into account the recommendations and conclusions of the members of the Visiting Mission as well as the comments made thereon by the members of the Trusteeship Council;

6. Decides, in accordance with rule 98 of its rules of procedure, that the observations of the Visiting Mission and the text of the present resolution shall be distributed in an appropriate form.

1420th meeting
22 June 1973

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a/ Official Records of the Trusteeship Council, Fortieth Session, Supplement No. 2.

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